

All-White Rule Ends As Interim Panel Takes Power in South Africa

By Paul Taylor Washington Post Service

CAPE TOWN — The era of exclusive white rule in South Africa came to a close here Tuesday with the installation of the Transitional Executive Council, a multiparty, multi-racial body that will oversee preparations for this country's first universal suffrage election.

The advent of the council marks the first time that black South Africans have an official influence over government decision-making. Its inaugural session triggered a protest near Pretoria, where 30 armed pro-apartheid white nationalists occupied a former Boer War fort that is now a museum.

The mandate of the council, an interim body, is to "lead the people of South Africa" in the April 27 election. It will have a combination of administrative, watchdog and veto powers over election law, internal security measures and foreign affairs.

Its first meeting was held in an ornate converted theater near parliament that once housed the president's council, a governmental body created a decade ago to rig the legislative deck in favor of white rule.

"It's a poetic irony that we can be sitting here in a chamber built to prop up apartheid as we begin the task of destroying the pillars of apartheid," said Joe Slovo, chairman of the South African Communist Party, one of 19 groups with a seat on council. All but three of the groups are predominantly black.

Absent from the council were any members of the Freedom Alliance, a group of white conservative and black homeland leaders who oppose the negotiated transition to majority rule and prefer some form of confederation to a unitary state.

Last-minute negotiations between the government and the alliance failed to produce a breakthrough. Government negotiators said they still expected the black homeland parties to participate in the election, but were unsure whether the Conservative Party and the Afrikaner Volkfront, which are holding out for an ethnic state for whites, would campaign as well.

Although the council is the product of long negotiations, its leaders cast its functions in sharply different light. The chief negotiator for the African National Congress, Cyril Ramaphosa, warned that the council must not be merely an advisory body restricted to using "toy telephones" — an apartheid era term used to describe the illusion of input which whites gave blacks. "We must resist the attempt to reduce the TEC to a toothless body," he said.

President F.W. de Klerk, speaking before he left for Norway where he and the ANC president, Nelson Mandela, will receive the Nobel Peace Prize later in the week, said the council was "not a new government."

Their differences appeared to be mostly a matter of partisan semantics, however. A close working relationship has developed in recent months between the government and the ANC, and they have collaborated on virtually all major government decisions this year. In its first official act, the council agreed to

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Japanese rice farmers sitting in front of the Ministry of Agriculture in Tokyo during a demonstration on Tuesday against importing rice.

Breaking Taboo, Japan to Import Rice

By David E. Sanger New York Times Service

TOKYO — After decades of saying that rice and rice farmers held a sacred place in Japanese society that must be protected from foreign incursions, the government of Prime Minister Morihiro Hosokawa said Tuesday that it would reluctantly open the nation's rice market to imports, removing a major stumbling block to the conclusion of world trade talks by the middle of next week.

Mr. Hosokawa is expected to make the historic announcement, whose symbolism and economic importance in Japan outweighs its political impact, in a speech to country on Friday, members of his cabinet said Tuesday.

But the 55-year-old prime minister, who has carefully stage-managed the opening of the

market for weeks, left little doubt about his intentions when he told parliament that maintaining the blanket ban on imported rice threatened the system that is the livelihood of Japanese industry.

Even before Mr. Hosokawa's declaration, however, a rebellion erupted within his fragile coalition government that could threaten many of the economic and anti-corruption reforms at the center of Japan's slow-burning political revolution.

The Social Democratic Party, the biggest component of the eight-party coalition government and the most steadfast defender of farmers, threatened to leave the government, an event that would likely trigger its collapse.

The opposition Liberal Democrats, who were unseated in July after ruling for 38 years, were

maneuvering to use the rice issue to derail Mr. Hosokawa's political reform efforts and bring an end to the 70 percent approval rating he has enjoyed for months.

Mr. Hosokawa's political lieutenants seemed relatively sure the Socialists' threat to walk out was a bluff, staged for the benefit of its farmer constituents.

But they were clearly concerned that whatever magic seemed to surround the first 100 days of his premiership was quickly wearing off.

In the past week, Mr. Hosokawa has issued contradictory statements on how and when he would announce an economic stimulus package to rescue an economy pined in recession, all but abandoned his commitment to pass the politi-

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U.S. and EC Vow a Final Push to Settle Trade Pact

2 Sides Remain at Odds On Films and Aircraft, Kantor 'Disappointed'

By Tom Buerkle International Herald Tribune

BRUSSELS — The United States and the European Community agreed on Tuesday to make a last-ditch push for a global trade agreement by next week's deadline despite failing to resolve their differences over film royalties and aircraft subsidies.

The U.S. trade representative, Mickey Kantor, said he was "disappointed but not discouraged" after a marathon 22-hour negotiating session with the EC trade commissioner, Sir Leon Brittan, ended Tuesday morning without a complete settlement of all U.S.-EC trade disputes.

Mr. Kantor indicated that he would bargain hard for European concessions on films and aircraft right down to next Wednesday's deadline for reaching a global trade settlement.

"No Uruguay Round will be finished unless these issues are resolved," he said, referring to the seven-year-old round of global trade talks.

But both he and Sir Leon claimed major progress on most other issues, including big tariff reductions on industrial goods and a draft farm accord that even France welcomed. And the two men went directly in Geneva to sell the results of their talks to the other 103 member nations of the General Agreement on Tariffs and Trade.

"We have made so much progress, there is so much at stake that it simply can't be possible to believe that a deal of this magnitude is not going to be reached," Sir Leon said.

In Geneva, Mr. Kantor said the eight days remaining were enough to complete the GATT negotiations, and he expressed optimism of resolving the disputes with Europe over films and aircraft.

"We are close enough on both subjects that with goodwill on both sides we could reach a solution," he said.

The talks in Geneva have been stalled for months as other nations waited for the United States and Europe to resolve their numerous trade disputes, and come up with a bilateral settlement that could serve as the basis for a global deal.

The GATT director-general, Peter Sutherland, expressed "confidence" about the prospect for reaching a global deal after hearing from Mr. Kantor the results of his negotiations in Brussels.

"I still believe the course of concluding the round is on track," Mr. Sutherland said.

But Japan cautioned that a stiff American position on anti-dumping rules and financial services, the latter of which is aimed at wringing concessions from Tokyo, could cause the global talks to break down.

"If the U.S. persists in everything it has put on the table, yes, it can be a deal-breaker," said Koro Besho, a Japanese Foreign Ministry official, after a meeting of top GATT negotiators on Tuesday evening in Geneva.

In contrast to the caution from Japan, the

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Can the Nation Salvage Bitter Black Youths?

By Bill Keller New York Times Service

GUGULETU, South Africa — "I can leave you here and go away and come back just now," Victor Mdekezzi told a white guest in this black township. "When I come back I will find you so-o-o-much in blood."

He sat in a parked car around the corner from the gas station where Amy Biehl, an American Fulbright scholar, was slashed to death in August by a tanning mob of young men for being a white in the wrong place.

Mr. Mdekezzi, 18, and an organizer for a black nationalist student organization, intended to threaten, merely basic instruction in an unpredictable factor of South African politics: the temper of the country's marginalized young blacks.

They are, to judge from a day among them here, spirits calloused by apartheid and resistance. They acorn deals made in their name at negotiating tables. They anticipate the nation's first free elections either with bottomless cynicism, or with fantastic expectations. Even their leaders wonder if they can be led.

"We've got to be realistic and honest here," said Tshepo Tshole, the chairman of the Pan-Africanist Student Organization, which comes closest to speaking for the hardened core of the generation. "That hatred, you grow up, it develops within you. It needs much political education to give it direction."

Since the killing of the American woman, Guguletu, an otherwise unexceptional black settlement foundering in the ocean of destitution that laps at the edge of idyllic Cape Town, has accepted its new notoriety without apology.

For local youths, the tale of several local youngsters who were freed after a witness said he was too terrified to testify — has become an opportunity to demonstrate rejection of white authority.

They journey to the trial in downtown Cape Town, war-dancing outside the hedge of razor wire that the police have put up for security, chanting "One settler, one bullet" hissing "Settler" at white journalists who pass by, laughing as the

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High-Flying Mechanics Giving Hubble an Exotic New Set of Eyes

By Kathy Sawyer Washington Post Service

HOUSTON — The crew of the space shuttle Endeavour was hoping for a grand slam Tuesday night as it prepared for its fourth spacewalk of the 11-day repair mission — this time to install the second and final set of corrective optics required to improve the blurry vision of the Hubble Space Telescope.

The high-flying mechanics, operating in alternating pairs with remarkable efficiency, have worked on the telescope since late Satur-

day, replacing solar-power panels, gyroscopes and other nonoptical equipment. Then on Tuesday morning — to the delight of anxious astronomers — they installed an improved

A look at NASA's goals for the Hubble repair mission and the status of each, Page 3.

replacement for the telescope's workhorse camera. Known as the Wide Field/Planetary Cam-

era, it represents about 50 percent of the telescope's scientific capacity. The new \$23.9 million unit contains an optical system specially designed to reverse the effects of an error in the shape of the telescope's main mirror. Astronomers said the extremely delicate apparatus into place well ahead of schedule.

"Every day is becoming more of a 'Can you top this?'" said a backup astronaut, Gregory Burchard, at the Johnson Space Center's mission control. The scheduled centerpiece of Wednesday's

orbital drama was to be installation of the other half of the new optical equipment: a 700-pound (300-kilogram) box the size of a phone booth. Called COSTAR, it contains a system of small arms designed to unfold and extend correctively ground mirrors the size of coins in front of the telescope's remaining instruments.

The two optical packages together, if they pass a routine six- or eight-week checkout, should restore at least 90 percent of the telescope's promised capability, scientists said. The Hubble, launched in April 1990, was

designed to provide the greatest leap for astronomers since the invention of the telescope, bringing into sharp focus for the first time objects as distant as the outer edges of the universe. The flaw, discovered shortly after the Hubble was placed in orbit 365 miles (590 kilometers) above the Earth, has limited its studies mainly to extremely nearby or bright objects.

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Houphouët-Boigny Dies, Led Ivory Coast 33 Years

By Kenneth Noble New York Times Service

Felix Houphouët-Boigny, president of Ivory Coast, Africa's longest-serving head of state and one of the last of a generation of leaders to take his people from colonialism to independence, died Tuesday at Yamoussoukro, Ivory Coast.

Mr. Houphouët-Boigny, who had been ill for months, underwent surgery for prostate cancer in Paris in June. He returned home last month. He was born Oct. 18, 1905 — or up to seven years earlier, according to some unofficial accounts — in Yamoussoukro, north of Abidjan, the capital.

[Henri Konan-Bédié, president of the National Assembly of Ivory Coast, announced Tuesday that he was assuming the responsibilities of the presidency as provided for by a constitutional reform enacted in 1990. Agence France-Press reported from Abidjan: The 1990 constitutional change calls for the assembly leader to complete the current presidential term. Mr. Houphouët-Boigny was elected to his seventh straight five-year term in 1990, due to end in September 1995.

[In a statement read on television, Mr. Konan-Bédié said that "the country will be

governed," and he asked for the cooperation of the population.] The son of a wealthy chief who owned large cocoa and coffee plantations, Mr. Houphouët-Boigny made his way through the French colonial education system to become a prosperous rural doctor and successful planter.

Since becoming president of Ivory Coast in 1960, Mr. Houphouët-Boigny presided over a tenfold increase in per capita income, to about \$900 today, in what had been one of France's more backward African colonies.

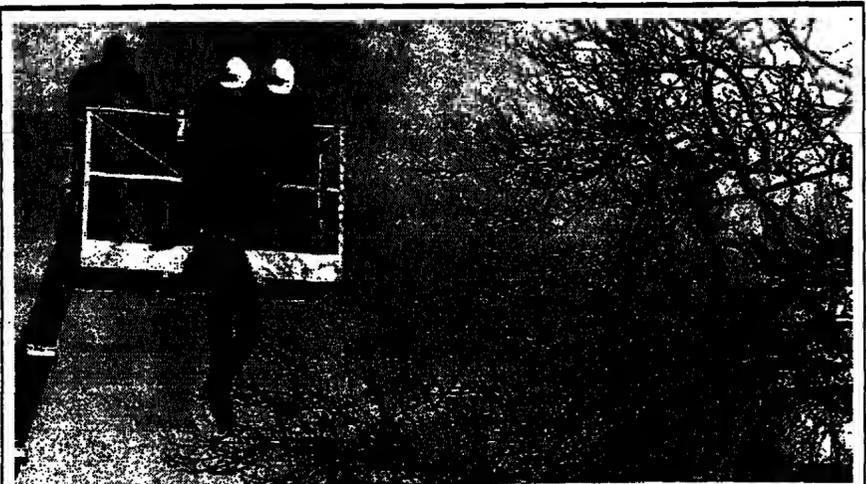
A central element in Ivory Coast's prosperity was his decision to give industry a low priority and develop agricultural resources first. He also encouraged foreign investment with few restrictions on the transfer of profits and capital.

The first 20 years or so after independence bore out his strategy. Ivory Coast became the third-leading coffee producer behind Brazil and Colombia, and by the early 1980s it became the world's leading cocoa producer. The country was often cited as a showcase for successful capitalist development in an African setting.

Through a combination of political acumen, eloquence and a calm and authoritative manner, he was able to avoid most of the bloody confrontation and political turmoil that plagued postindependence Africa. Even his harshest critics, who called him a tool of neo-colonialism, concede that he instilled a strong sense of nationhood among the country's nearly 60 distinct ethnic groups.

He turned to politics in the mid-1940s. In 1944 he was a co-founder, with other disgruntled African planters, of the African Agricultural Syndicate, a group organized to protect its members' interests against inroads by French settlers. Within a year, after converting the organization into the Democratic Party of the

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CAUGHT UP A TREE — London police removing a protester on Tuesday from a 250-year-old chestnut tree that is due to be cut down to make room for a new highway. The police officers brought in a hydraulic lift and plucked the protesters off their perch.

Kiosk

Frenchman Is Killed in Algeria

ALGIERS (AFP) — A retired Frenchman was shot to death Tuesday at Larbaa, a village south of the Algerian capital, security forces announced. Ten foreigners have been killed since Sept.

21: three Frenchmen, three Russians, three Latin Americans and a Spaniard. Islamic fundamentalists fighting the government said all foreigners had to leave the country by Dec. 1.

Table with financial data including Dow Jones (Up 8.57, 3,718.88) and Trib Index (Up 0.76%, 108.92). It also lists currency exchange rates for The Dollar, DM, Pound, Yen, and FF.

A Ray of Hope In Germany For Economy

By Brandon Mitchener International Herald Tribune

FRANKFURT — Strong gains in private consumption, exports and capital investment lifted German economic growth for the second quarter in a row, the government reported Tuesday, throwing out a glimmer of hope that the economy has begun to recover from its worst recession since World War II.

"There is a good chance the recovery will continue, despite the familiar problems," Economics Minister Günter Rexrodt said.

His cautious optimism, shared by other observers, came after the Federal Statistics Office reported that Germany's gross domestic product had grown 0.5 percent in the third quarter, the same increase as in the second three months.

By the government's definition, two successive quarters of economic growth mark the end of recession.

Many independent analysts, however, prefer a more restrictive measure that has not yet been fulfilled: two successive quarters of growth in utilization of industrial capacity.

Herbert Hax, chairman of the official Council of Economic Advisers, who works with the latter definition, said last week that he expected the German economy to stagnate through 1994 and not begin to recover until 1995.

Economists were pleased to see in Tuesday's data an increase in both equipment and construction investment in the private sector. But government and private-sector experts agreed that the speed of the recovery, and its delayed effect on the unemployment crisis, would leave much to be desired.

New job creation will not begin before the recovery picks up considerable speed and manufacturing production picks up, Mr. Rexrodt admitted. The Federal Labor Office on Friday reported a record level of joblessness, 2.49 million people in Western Germany and 1.15 million in Eastern Germany.

Industrial production, meanwhile, appears to have slowed its fall, but is still not growing significantly, and inflation remains stubbornly high. The Bundesbank's main barometer of inflation, M3 money supply, expanded at a 6.9 percent annualized rate in October, up from 6.8

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# Revolution of Sorts Beckons for Italy's Ex-Communists

By Alan Cowell  
New York Times Service

ROME — Their name has changed, their ideology has died and no one is talking class struggle anymore. Yet, after almost five decades in the anterooms of power, Italy's onetime Communists seem finally to reckon their moment has come — too late to storm the barricades but, maybe, just in time to reap the ironic harvest of a different revolution.

Through the years of the Cold War, Italy's Communists — the most powerful in Western Europe — were kept out of office by an alliance of centrist parties whose cover was the crusade against Moscow and whose reward was access to vast and illicit patronage from the state coffers.

Now, those same centrist parties — the Christian Democrats, the Socialists and their allies — are in disgrace because they overdid on the pork barrel. And the former Communists, denied any obvious chance to be as dishonored, have turned their enforced political cleanliness into a vote winner.

In mayoral elections last weekend, the former Com-

munists and their allies swept the five biggest cities at issue and won in many other municipalities, defeating both neofascists and the federalist Northern League.

Moreover, the Christian Democrats and their allies, virtually obliterated by the corruption scandal, were barely to be seen. Many analysts took the vote as a harbinger of things to come in national elections expected in the spring.

It was, perhaps, another twist of fate that the victory came when, and partly because, the broader ideological war had already been lost on the battlegrounds of the Cold War.

"The ideology has all disappeared," said Pietro Folena, a former Communist legislator in Sicily.

That much was evident when the former Communist leader Achille Occhetto announced Monday night that his priorities in government would be to continue economic austerity, pursue plans to sell off state industries to private buyers and thus cut back the massive public debt, policies that did not smack of spendthrift socialism.

"From the political point of view, very little remains

from the old days," said Salvatore Veca, a professor of political philosophy at the University of Florence.

"There's a complete acceptance of the role of the market."

In 1991, after the fall of the Berlin Wall, the Communist Party of Italy changed its name to the Democratic Party of the Left and shed its radical wing, now called Communist Refounding.

For the former Communists this means that there is no turning back to the class struggles of the past.

"This is a party of order and efficiency, not radical transformation," said Professor Gianni Vattimo of the University of Turin.

The view is not universal.

"I, like many others, am afraid of the left," said Alessandra Mussolini, the granddaughter of the dictator Benito Mussolini, who lost to a former Communist candidate last weekend in the race for the mayorship of Naples.

"The left instills fear in those who care about the economy and the future of Europe. With communism, there is no Europe, no future," she said. As evidence of

such fears, rightist politicians point to the strong showing of her neofascist party in Rome and Naples and the stranglehold of the Northern League on parts of northern Italy.

Moreover, while the former Communists emerged as victors, they did not win alone, securing their dominance only by forging alliances with other parties, notably Greens and in some case hard-line ex-Communists and even, in Trieste, Christian Democrats.

It is partly to keep the "progressive alliance" intact until national elections that the former Communists are laying so much stress on their repackaging as responsible candidates for government.

When, during the two-stage mayoral vote, financial markets took a dive on news of former Communist successes, Mr. Occhetto went out of his way to calm them. And, when the extent of the former Communist victory emerged this week, the markets responded in kind: The lira firmed, stocks rose, in part because the leftist alliance seemed to offer a greater chance for stability than the neofascist alternative.

## WORLD BRIEFS

### East German Spy Assails Gorbachev

PARIS (AFP) — Markus Wolf, the former East German master spy who was sentenced on Monday to six years in prison for treason, says that Mikhail S. Gorbachev "betrayed" Mr. Wolf and his men.

In an interview with a French weekly, Mr. Wolf said: "When I fled Germany, just before unification, I wrote twice to Gorbachev to raise the question of the future of my men in East Germany." He said the men "were among the biggest supporters of reform" as engineered by the former Soviet leader.

"I never got any answer," Mr. Wolf said. "He betrayed us outright." He said that when Mr. Gorbachev was questioned by West German authorities on what to do with East German secret service agents, he reportedly told them, "It's your business."

### Honecker to Get Pacemaker Implant

SANTIAGO (AP) — Doctors attending Erich Honecker said that the 81-year-old former East German leader has a heart problem and that they planned to implant a pacemaker later Tuesday.

Dr. Pedro Cubillos, medical director of the private Clinica Las Condes, said the decision to operate on Mr. Honecker was made by several cardiologists. Mr. Honecker, who suffers from terminal liver cancer, was admitted late Sunday after he lost consciousness several times. Doctors said he has "a syncopal condition" and that the pacemaker "should solve the problem."

Mr. Honecker came to Chile in January after a Berlin court, citing his health, stopped his trial for the deaths of East Germans killed trying to escape to the West during his rule.

### Greece Scraps Disputed Press Law

ATHENS (Reuters) — Greece's new Socialist-controlled parliament scrapped a press law on Tuesday that had caused the fiercest dispute over censorship since the country was run by a military junta from 1967 to 1974.

The law, passed by the previous conservative government in December 1990, called for jail terms and \$500,000 fines for any press group that published statements made by guerrilla groups. Seven top newspaper editors were jailed briefly in 1991 for defying the law, which they described as unconstitutional and an effort to muzzle the press.

"This undemocratic law brought hardship to journalists but it has finally been put to rest," a Justice Ministry official said. Deputies from all parties, including the conservative New Democracy Party, voted to repeal the law and the official said all charges pending against journalists would be dropped. Several journalists were awaiting trial under the law.

### Philippine Rebels Free American

JOLO, Philippines (Reuters) — A kidnapped American translator of the Bible was freed on Tuesday from captivity by Muslim guerrillas on the southern Philippine island of Jolo.

"I am emotionally tired. I want to thank God for his mercy in bringing about my release," said Charles Walton, 60, after his captors handed him over to the Libyan ambassador, Rajab Abdulaziz Azarouq, in Zamboanga town. Mr. Walton was abducted on Nov. 14 from his home on Pangasinan Island near Jolo. He has been in the Pangasinan area for 20 years, translating literature and the Bible into the local dialect.

The guerrillas, described by the military as from the fundamentalist Abu Sayyaf group, had demanded that Islamic diplomats attend his release. Mr. Walton had demanded the withdrawal of foreign Christian missionaries from the southern islands, a ban on fishing by foreign vessels and restoration of the Muslim barter trade in the area.

### For the Record

A member of the extremist Japan Red Army was sentenced to life imprisonment on Tuesday in Tokyo for masterminding two hijackings in the 1970s. The radical, Osamu Maruoka, 43, led a Red Army gang that secured the release of six colleagues from Japanese jails and \$6 million in ransom in the 1977 hijacking of a Japan Air Lines flight in Dhaka. He was also found guilty of masterminding the 1973 hijacking of another JAL jumbo jet with four Palestinian guerrillas. (Reuters)

## TRAVEL UPDATE

### Strikes to Halt Sweden's Air Traffic

STOCKHOLM (Reuters) — Almost all Swedish air traffic could be paralyzed by a threatened strike and possible lockout on Dec. 13 and 20, Swedish employers said Tuesday.

Transport workers have called for the two strikes as a means of achieving a 3 percent raise. Employers have offered 1 percent. The employers said they would respond with a lockout.

A strike and lockout "would ground virtually all civilian Swedish planes," said Jonas Berninger, a negotiator for employers. Many foreign airlines would also be affected, he added. It would involve about 5,000 workers.

A special Concorde flight around the world to celebrate the New Year has been canceled for lack of reservations. Air France and the travel agency marketing the supersonic trip announced Tuesday. It said only 10 people expressed interest in the 32-hour trip, which would have cost each passenger 149,000 francs (\$25,400). (AFP)

Part of one of the three Nigerian bridges linking the economic capital on Lagos island to the mainland has been closed to traffic after a crack dozens of inches long appeared. The concrete structure, built 18 years ago, straddles Five Cowrie Creek, a lagoon between Lagos and Victoria island. Authorities feared it would collapse, the Nigerian news agency said. (AFP)

The Channel Tunnel will carry out an evacuation drill of 1,000 people from a train in its center at the beginning of the year as part of security tests prior to its scheduled spring opening. They will be evacuated from a train halted in one of the outer rail tunnels via the central service tunnel. Also on the agenda prior to opening for freight traffic in March are tests of the ventilation and fire detectors. (AFP)

Hong Kong aviation officials blamed strong crosswinds for the accident last month in which a Boeing 747-400 of Taiwan's China Airlines skidded off the runway on landing and plunged into Hong Kong harbor. No one was injured in the accident. (AFP)

# Cold Is Beginning to Bite in the Ex-Soviet Union

By Margaret Shapiro  
Washington Post Service

MOSCOW — In Ukraine, the government shut down daytime television broadcasts last week, extinguished "eternal" flames at a large regional war memorial and announced that it might close all schools until summer because it cannot afford to heat them.

In Georgia, people have been standing in line all night to buy bread at one of the few bakery shops still functioning, while the military has been sent to guard bakeries from riots.

In Belarus, the government recently put many factories on an every-other-day work schedule.

And in Russia, one of the world's largest energy producers, cities from Kaliningrad to Khabarovsk are shivering because they have not received promised oil supplies during one of the coldest autumns in recent memory.

After two years of dire but often unfulfilled warnings, the crisis spawned by the breakup of the Soviet Union and the collapse of its centralized economy is finally hitting hard many parts of the Commonwealth of Independent States. Offices are cold, factories are barely operating, apartment heat is supplied fitfully and hot water, in many cases, does not exist.

Life in Moscow and in many large Russian cities remains close to normal, although threatened strikes by workers in the energy sector have left many people, and their leaders, extremely nervous. But the outlying republics are suffering an oil shock more traumatic than the one the West endured 20 years ago, when the Organization of Petroleum Exporting Countries began to flex its muscles.



ON THE BEACH IN SOCHI — A homeless old woman with her belongings on a beach in Sochi, Russia, after fleeing Abkhazia.

Under prodding from Western lending agencies and its own economic needs, Russia has raised the price it charges for oil and gas to near world levels, depriving the other former Soviet republics of the cheap, subsidized fuel on which their economies have been based for decades. It has also slowed or stepped deliveries to countries, like Ukraine, that have failed to pay their bills.

Deputy Prime Minister Alexander N. Shokhin recently estimated that Commonwealth countries had collectively run up a debt of several billion dollars that Russia is now trying to recoup.

"The republics are faced with an enormous price shock that they are having difficulty adjusting to," said a Western economist based in Moscow. "Russia is essentially deciding it is no longer going to be the world's biggest aid giver" and is starting to cut off those who do not pay their bills. In some cases, the oil subsidy savings totaled 20 percent of a republic's total economic output, according to Western estimates.

Russia drove the final nail into the Soviet economic coffin last summer when it dumped the old Soviet ruble in favor of a new Rus-

sian one, forcing nearly all the republics to counter with their own currencies. When *tenge*, *drams*, *leus*, *som* and *rubles* were unveiled over the last few months, the republics were cut off from cheap ruble credits as well as from the cheap ruble-priced oil that is still available to Russian consumers.

The oil shock is compounded by the failure of most republics' governments to adjust to new economic realities. Some, like Georgia, Armenia and Tajikistan, are foundering because of war and general lawlessness. Armenia, under a fuel blockade for the last few years from neighbor and enemy Azerbaijan, is entering its third frigid, dark winter with a five-gallon can of gasoline costing about \$25, more than 20 times the minimum monthly salary. In Georgia, people are forced to light apartments with candles because the government cannot make good on its promise to

provide everyone with six hours of electricity.

Many other republics, from Ukraine and Belarus to Uzbekistan, have failed to adopt long-term programs to deal with new market realities and are instead getting run over by them. Western economists in Moscow said.

Already the effects are being felt. In Kaliningrad, the Russian enclave on the Baltic coast, a local power station working overtime to keep the city warm ran out of fuel recently, leaving thousands shivering at home.

Officials in one Siberian town gave up waiting for new supplies and doled out wood-burning stoves and a supply of logs to local citizens. In Bryansk, a city southwest of Moscow, day-care centers, elementary schools and apartments have been without heat for weeks.

"Arctic cold reigns supreme," the Russian weekly *Moscow News* wrote in a recent report on the region.

## Austrians Close In on Letter-Bomb Terrorists

VIENNA — Austria said Tuesday that anti-terrorist police had received promising leads on rightist extremists suspected of a letter-bomb campaign and were satisfied they were looking for Austrian nationals.

A security officer, Michael Sika, said information from the public had poured in after four people linked with refugees and foreigners were injured in letter-bomb blasts.

The casualties included the mayor of Vienna, Helmut Zilk.

Bomb squad officers have defused six other devices since the campaign began Friday in the worst political terror against Austrians since World War II.

"We have had very promising information from the public, and we are narrowing down our list of suspects," Mr. Sika said.

Police searched two houses in

Vienna, and Interior Minister Franz Loeschak said more searches would follow. "The time is nearly up for these criminals," he told reporters after a cabinet meeting.

He said it was unlikely that the attacks were led by groups from the former Yugoslavia — Austria has a border with the former Yugoslav republic of Slovenia.

Radio and television interrupted their broadcasts, trams stood still

and workers laid aside tools for a minute's silence at 11 A.M. on Tuesday, in a demonstration against political violence.

Letter Bomb in Germany

The police defused a letter bomb found on the window sill of a small-town East German bank, Reuters reported from Dresden.

Authorities on Tuesday ruled out any connection to the Austrian incidents.

## Neo-Nazis' Hit List Alarms Germans

BONN — Anti-racism campaigners in Germany urged the police on Tuesday to protect them against possible attack after an underground rightist magazine published a hit list of leftists' names and addresses.

Alarmed by a wave of rightist letter bombs in Austria, people targeted in the list have begun taking self-protection measures, they said. A senior German official urged

the media not to publish the names and conceded that the list had already succeeded in intimidating some anti-Nazi campaigners.

Bonn security officials said they had no hints that the bombings in Austria, thought to be the work of extreme rightists, would spill over into Germany.

"After numerous attacks on foreigners' flats and asylum seekers' homes, the neofascists are widening their radius of terrorist action," said the Association of Anti-Fascists, a leftist group that represents victims of rightist crimes.

"The Association of Anti-Fascists calls on politicians and officials to stand up to this neofascist terror and protect those under threat," it said in a statement.

Sixteen people and groups in the Dortmund area, named in the list, met Monday to reaffirm support for foreigners in Germany and to discuss local self-defense measures. Dortmund was the scene of vio-

lent clashes on Friday when leftists tried to block rightists from holding a rally.

Groups in two other cities said they were taking similar precautions.

The list, in a magazine called *Der Einblick* (Insight), surfaced last week and appeared even more threatening after 10 letter bombs were sent to Austrians who support immigrant and refugee causes.

Herbert Schnoor, interior minister in the state of North Rhine-Westphalia, said the list's main aim was to intimidate leftists.

"Unfortunately that has happened," he said after hearing a German Radio interview with a man who quit anti-fascist work when his name appeared on the list.

"I urgently request the media to avoid publishing names at all costs and not show these people," Mr. Schnoor told the radio.

Diplomats Voice Concern

The dean of Bonn's diplomatic

corps, in unusually pointed public criticism on Tuesday, said Germany's friends were worried by rightist attacks against foreigners, The Associated Press reported from Bonn.

Archbishop Lajos Kada, the Vatican's envoy to Germany, spoke at the annual holiday-season reception for the ambassadors at Chancellor Helmut Kohl's residence in the Schanzenberg Palace.

"You'll understand that we are deeply concerned about the safety of foreign citizens in your land," said Archbishop Kada, 69, of Hungary. "We hope and wish that foreigners who respect your traditions and laws can feel at home here."

Leipzig Graves Desecrated

Agency France-Press

LEIPZIG — A World War II Soviet military cemetery here has been desecrated for the second time in recent days, the police said Monday.

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Leipzig Graves Desecrated

# STATESIDE / NUCLEAR SECRETS

## U.S. Reveals 204 A-Tests and Its Plutonium Stockpile

By John H. Cushman Jr.

WASHINGTON — The United States conducted 204 previously unannounced nuclear weapons tests, the last in 1990, a figure that accounts for one fifth of all U.S. nuclear tests since 1945 and was about twice as many secret tests as private analysts had suspected, the Energy Department disclosed Tuesday.

The tests, conducted at the test range in Nevada, were mainly small enough to escape detection by seismic measurements. Some of them resulted in accidental releases of small amounts of radiation into the atmosphere.

The department, as part of a newly ordered declassification of millions of documents pertaining to the vast nuclear buildup of the past 50 years, also disclosed for the first time just how much plutonium was produced, and some details of how much of the material is still in stockpiles around the country.

The secret tests did not violate any laws or international weapons-testing agreements because they were conducted underground. But they are more evidence

of a damaging culture of secrecy that compromised safety and environmental considerations, officials said, that the Energy Department is now trying to combat.

Although some researchers who have been pressing the government to disclose more information about the nuclear weapons program said they were disappointed at how little new information was disclosed, the Energy Department, which manages the production of nuclear weapons, said the disclosures were just the first step in an effort to review 32 million documents for possible declassification.

The disclosures could, over time, produce substantial insights into the nuclear weapons program, of value to historians, arms control experts, and environmental groups and civilians who live near nuclear production plants and are concerned over the health and safety effects of the program, which has left a legacy of contamination that has only recently been fully appreciated.

Energy Secretary Hazel R. O'Leary, who is to visit Russia this month, said she also hoped the depart-

ment's increasing openness would lead other nuclear powers to unveil their own secrets as the days of global nuclear confrontation recede.

"We were shrouded and clouded in an atmosphere of secrecy," she said, at a news conference where the new details were disclosed. "And I would take it a step further: I would call it repression."

In one indication that the years of secrecy have left the government in the dark about some of its own secrets, she said that the figures released about the amount of plutonium might be revised later.

"As we progress in the cleanup, we may be discovering more plutonium," she said. "So you can look to see these figures revised."

At seven of its plants, existing stockpiles of the bomb material amount to 33.5 metric tons, far more than is ever likely to find its way into bombs. At another plant, the Pantex plant in Texas, plutonium stocks are still to be used for weapons and the stockpile amount was not disclosed.

Paul Horvitz of the International Herald Tribune reported from Washington.

Mrs. O'Leary said that from 1945 to 1988, the United States used 89 metric tons of plutonium in its weapons production program. The Energy Department is now grappling with the problem of how to store tons of plutonium waste that will remain radioactive for thousands of years.

The numbers are of little consequence outside the scientific community, but they could be used to better assess health and environmental threats at U.S. weapons production plants.

In addition, Mrs. O'Leary said, publishing the figures "puts us honestly out front as a nation willing to share and hoping that the other nuclear nations will do the same."

As part of its disclosure, the Department of Energy said it was declassifying about 80 percent of its documents on a decade-long effort to produce cheap electricity by using lasers in the production of nuclear fusion energy, an effort so far fruitless.

The release of data on the U.S. "laser fusion" effort will cheer American scientists who have long worked in secret while their counterparts in Japan, Russia and Europe freely published on the subject.

## Genetic Screening: Dream? Nightmare? Project Stirs Strong Emotions

By Gina Kolata

NEW YORK — In an ambitious attempt to eliminate common recessive diseases from their community, a group of Orthodox Jews in New York and Israel are using the most advanced molecular technology to screen young people considering marriage. It is a project that elicits strong emotions from geneticists and ethicists. Some say it is the fruit of a new genetic era. Others say it verges on a nightmare.

The leaders of the program, called Dor Yeshorim, Hebrew for "the generation of the righteous," say that it can serve as a model for the nation. It does not rely on prenatal testing because abortions are generally unacceptable to Orthodox Jews.

Nor does it advise couples to avoid having children if they are at risk of passing on inherited disorders. Large families are greatly desired in this community. Instead, the goal is to discourage marriage or even dating between people who are at risk.

Every year, Dor Yeshorim representatives go to the private high schools where many Orthodox families send their children and explain to the teenagers that they can have a simple blood test to see if they carry genes for any of three diseases, Tay-Sachs, cystic fibrosis and Gaucher's disease. Those tested are given a six-digit identification number.

If a boy and girl want to date, or if they have already started dating, they are encouraged to call the New York Dor Yeshorim Central Office with their identification numbers. They are then told either that the match is compatible — that they are not at risk of having children with the diseases in question — or that they carry a recessive gene that could result in a child with one of the diseases. Those couples are invited to come in for genetic counseling.

The project is run out of offices in Brooklyn and in Jerusalem, where directors of Dor Yeshorim arrange for the genetic tests at five centers in the United States and one in Israel. The tests cost \$25 each and are subsidized by funds from the Department of Health and Human Services and the New York State Legislature, as well as contributions from private donors.

Rabbi Josef Ekstein, a Hasid who has directed the project since its start in 1983, said 8,000 young people were tested last year for the recessive genes. So far, at least 67 couples who were considering marriage have decided against it after being advised of their risk.

When Dor Yeshorim began a decade ago, it tested for just one disease, Tay-Sachs, a degenerative neurological condition that is fatal in early childhood. A few months ago, the group began testing for cystic fibrosis.

Dor Yeshorim also added a test for Gaucher's disease, a lipid-storage disease, and expects to begin screening for Canavan disease, a neurodegenerative disease.

Some see this expansion as problematic. "As you move further and further away from an untreatable disease in which no one survives to cystic fibrosis or Gaucher's disease, I find the application much more troubling and much less acceptable," said Mark Siegler of the University of Chicago School of Medicine.

"It runs the risk of becoming the nightmare of the Human Genome Project," he added, referring to the

federal effort to map every one of the 100,000 human genes.

Francis Collins, director of the Center for Human Genome Research at the National Institutes of Health in Bethesda, Maryland, said parts of the program "sound just fine."

But, Dr. Collins added, when there is strong pressure within a community for members to have genetic tests and to check on the genetic profiles of whomever they date, all individuals within that community may feel that they must be tested, whether they want to or not.

"That takes away the sacred principle of autonomy," Dr. Collins said. And as more and more genes are added to the list, some people will run the risk of being genetic wallflowers, rejected by every suitor because of the recessive genes they carry.

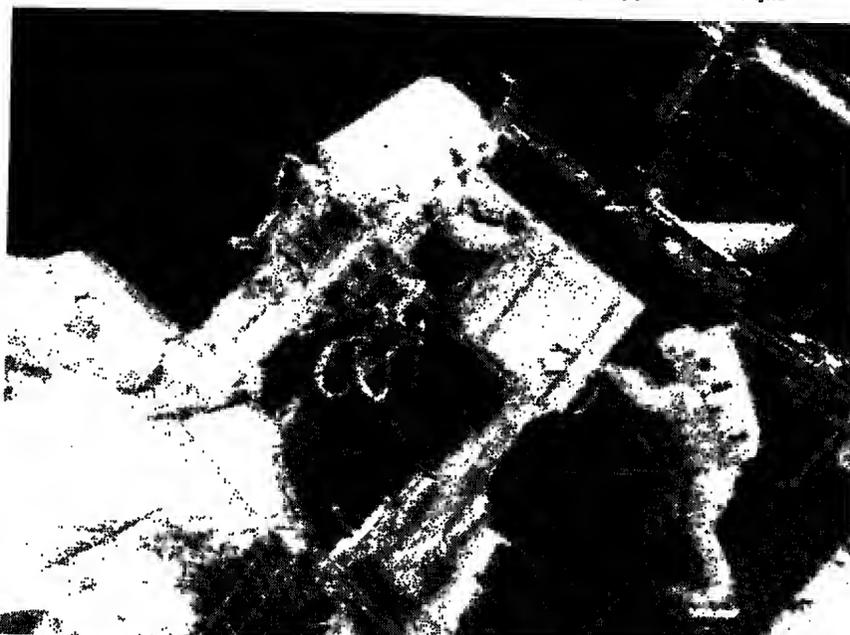
Opponents also point out that genetic testing is full of complexities and pitfalls. Not only are there laboratory and human errors, but there are often enormous uncertainties about when and how a genetic disease might manifest itself. Many, if not most, diseases have a range of outcomes, from essentially no effect to devastating illness and, sometimes, death. Should you decide not to marry someone when the genetic disease in question might be so mild that it would never be noticed?

"We are all going to be faced with the responsibility of having this information about ourselves and how we want to handle it in our society," said Frances Berkwitz, a genetics counselor for Dor Yeshorim and the Tay-Sachs Prevention Program at Kingsbrook Medical Center in Brooklyn.

Rabbi Ekstein began Dor Yeshorim a decade ago when knowledgeable about genes was not as sophisticated as it is today. He and his wife saw 4 of their 10 children die of Tay-Sachs disease, watching helplessly as baby after baby developed normally for four or five months before beginning to weaken, have seizures and lose muscle control. The child would become blind and paralyzed, and after a few years would die.

At first, the rabbi said, he never spoke about his Tay-Sachs babies. "When something like this happens, we try to cover it up," he said. Like many families in his religious community, he said, he and his wife were afraid that if anyone knew they had a sick child, no one would want to marry the healthy ones.

About a year and a half after his fourth child died, Rabbi Ekstein said he realized that the reason God gave him four children with Tay-Sachs disease was so that he could help others prevent the disease in their families. He began Dor Yeshorim.



Astronauts Jeffrey A. Hoffman, at left on shuttle arm, and Story Musgrave attaching a new camera Tuesday to the Hubble Telescope.

## How the Shuttle Astronauts Are Progressing

A look at NASA's goals for the Hubble Space Telescope repair mission and the status of each.

### MAIN GOALS

- Accomplished:
  - Replaced two of three pairs of gyroscopes and one of three electrical units to guide them.
  - Replaced four fuse plugs for Hubble's science instruments.
  - Replaced two solar panels. The 40-foot (13-meter) electricity-generating wings provide Hubble with electrical power. The old ones shook when the telescope passed in and out of daylight. One was also found to be warped.

Installed an updated Wide Field-Planetary Camera. This wedge-shaped instrument is an improvement over the original and contains corrective mirrors to compensate for the flaw in Hubble's primary mirror.

Replaced one of two quirky magnetometers, which measure Earth's magnetic field to guide the telescope.

Remaining:
 

- Install another set of corrective optics. This instrument, about the shape and size of a phone booth, contains corrective mirrors for three Hubble instruments.

Replace one of two electronics drive units for the solar panels.

### SECONDARY GOALS

- Accomplished:
  - Washed four gyroscope fuse plugs.
  - Replaced a second gyroscope electrical unit.
  - Replaced the second magnetometer.
- Remaining:
  - Install a new co-processor in Hubble's computer with upgraded memory.
  - Install a switch on the telescope's ultraviolet light detector.

## Away From Politics

The black man convicted of beating a white truck driver during the Los Angeles riots last year was given a maximum 10-year sentence on Tuesday, Damian Williams, 20, who will receive at least two years' credit for time served since his arrest in the beating of Reginald Denny, had asked for probation. But Judge John Ouderkerk of Superior Court told Mr. Williams: "It's intolerable in this society to attack and maim people because of their race." Before announcing the sentence, the judge played a videotape of the riot attacks at Florence and Normandie avenues in South Central Los Angeles on April 29, 1992, in which Mr. Williams was involved. The riots followed the acquittal of four white policemen on most state charges in the 1991 beating of a black motorist, Rodney King. Two of the four were later convicted of federal civil rights charges. Mr. Williams was convicted of felony mayhem for attacking Mr. Denny and

four misdemeanor assault counts. The mayhem count carried a maximum eight-year term; each misdemeanor count, six months.

Some of the addicts and alcoholics who could federal disability benefits wind up using the money to buy illicit drugs or liquor. The Social Security Administration says 72,137 drug addicts and alcoholics were collecting Supplemental Security Income disability benefits in September, but fewer than one-third, 22,000, were in treatment for addiction. As a result, some addicts on the SSI welfare program for the low-income disabled and elderly may be spending benefits on liquor or drugs.

A woman dying of cancer paid a neighbor \$2,100 to kill her, but after the teenager she hired tried to strangle her, she regained consciousness and called him back, and he bludgeoned her in death, according to prosecutors in Summit, Illinois. Reggie Williams, 18, was charged with first degree murder and held on \$350,000 bond. The victim, Susan Potempa, 50, was found dead in her home on Thanksgiving Day while her husband and son were out of town. Officials said they did not know why the woman had hired the teenager to kill her instead of taking her own life.

A former Roman Catholic priest who sexually assaulted dozens of children while serving as a parish priest three decades ago, has been sentenced to 18 in 20 years in prison. James R. Porter, 58, was fearful as he was led from Bristol County Superior Court in New Bedford, Massachusetts, in being serving a term that many victims complained was too lenient in light of his sexual crimes. Mr. Porter could be eligible for parole in six years.

## POLITICAL NOTES

### After NAFTA, Labor Cuts Off the Democrats

WASHINGTON — In the aftermath of the bitter fight over the North American Free Trade Agreement, organized labor has decided to cut off financial support to Democratic campaign committees for at least three months.

The decision made by legislative and political directors of the AFL-CIO unions at a meeting last week and confirmed by Rex Hardisty, the AFL-CIO spokesman.

"There is a decision to do nothing for a while," he said, at least until the AFL-CIO executive council members have a chance to review the situation at their Feb. 21 meeting, Mr. Hardisty said.

The cutoff applies to the Democratic National Committee and to the separate committees supporting Senate, House and gubernatorial candidates, sources said. Labor is normally one of the biggest, if not the biggest, sources of funds for those groups. In the partial-reporting for 1993, the Federal Election Commission said unions had given \$1,059,700 to the three major Democratic committees.

Several sources said the meeting at the AFL-CIO headquarters showed that tempers had not cooled since the White House overcame determined union opposition and pushed NAFTA through the House on Nov. 17. The Senate, where opponents mounted less of an effort, later completed approval of the trade pact.

"People were very angry at the couple dozen House members and the two or three senators who broke their pledges to vote against NAFTA," one source said. "But they were equally angry with President Clinton for the abuse he gave us."

Particularly vexing, people who attended the meeting said, were Mr. Clinton's comments on the NBC News program "Meet the Press." 10 days before the vote, that program was using "rough-hewn, muscle-bound tactics" to line up congressional opposition to NAFTA, Thomas Donahue, AFL-CIO secretary-treasurer, called it "a cheap shot" at the time, and that view was expressed at last week's meeting.

One union official complained that Mr. Clinton was feeding the stereotype that union leaders were "thugs, real Mafia types."

Another argued that there was a "double standard," noting that when homosexual rights sharply criticized Mr. Clinton for changing his policy on homosexuals in the military, "he didn't attack them the way he attacked us." (WP)

### Surgeon General Backs Legalization of Drugs

WASHINGTON — Surgeon General Joycelyn Elders said Tuesday that the legalization of illicit drugs "would markedly reduce our crime rate."

Dr. Elders said other countries had decriminalized drug use and had reduced their crime rates without increasing the use of narcotics. She also said she had not discussed the issue with President Bill Clinton and that she was not speaking for the Clinton administration. She made the remarks in response to questions at a National Press Club luncheon.

"I do feel we would markedly reduce our crime rate if drugs were legalized," said Dr. Elders, the former Arkansas health commissioner. She added that she did not know "all of the ramifications but I certainly think it's worth studying."

"We need to do studies to find out whether" legalization makes a difference, said Dr. Elders, who devoted her speech to a call for addressing violence as a public health problem rather than just a criminal justice issue.

"There are a lot of things that are sensitive subjects, and just because they're sensitive subjects does not mean that we should ignore them when they are destroying the very fabric of our country," she said.

Mayor Kurt Schmoke of Baltimore has stirred controversy by suggesting that heroin be legalized. (AP)

### Quote/Unquote

Dr. Joycelyn Elders, the U.S. surgeon-general, on the culture of firearms in the United States: "Please think twice before buying that toy gun for a child. These toy guns are not child's play." (AP)

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OPINION

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Stop Squabbling and Settle

Trade agreements are always tough to negotiate when times are hard and unemployment is high. The enormously ambitious effort known as the Uruguay Round, now coming to a make-or-break decision in Brussels, was begun in 1986, a year of solid economic growth and optimism. But then the United States fell into a recession from which it is only slowly recovering, and both Western Europe and Japan are now deeply sunk in recessions of their own. No wonder the progress in these trade talks has been slow and uncertain. Hopeful noises have recently been coming from Brussels, where trade negotiators from the United States and the European Union (as the Community has renamed itself) have been trying anxiously to push each other to an agreement. They have said they would succeed soon. But that will not be the end of the process. As they arrive at an agreement, the Americans and the Europeans will next have to sell it to all the other governments taking part in these talks — more than 100 of them — and then go on to settle a half-dozen other major issues. All that has to be done by Dec. 15. If that deadline is met, each government will have to ratify the result. In the case of the United States, it will require Congress to pass legislation, as in the case of the North American Free Trade Agreement last month, that will not be simple.

Try This on North Korea

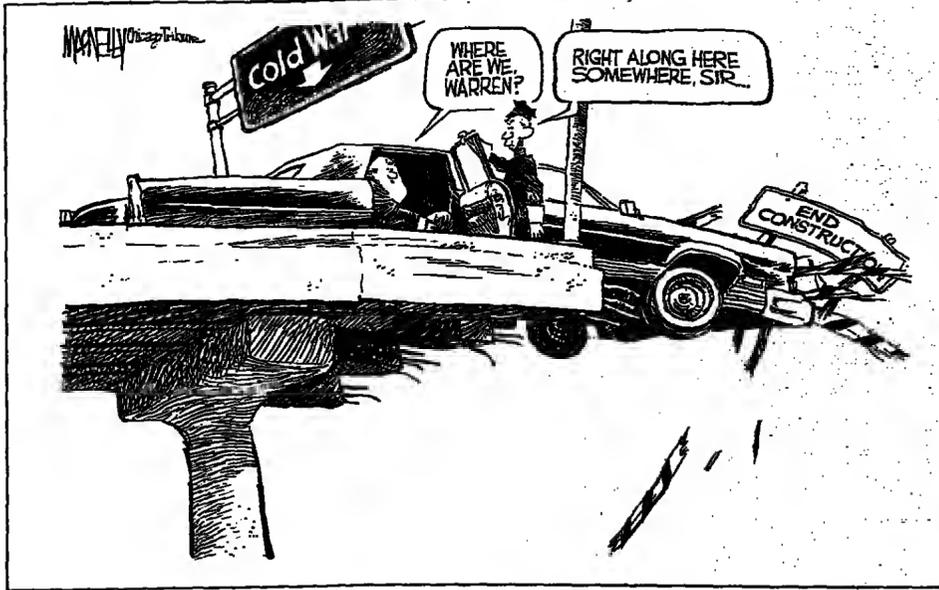
A U.S. intelligence estimate predicts that diplomatic efforts will fail to coax North Korea into allowing international inspectors into its nuclear sites. But there is no way of knowing without giving diplomacy a chance. Last Friday, Pyongyang said it would open several of its nuclear sites to inspection, but not its reactor, reprocessing plant and waste sites at Yongbyon. Access to the Yongbyon sites would depend on negotiating a package deal with the United States. Before resorting to tougher measures, the United States could offer an equitable deal aimed at heading off a confrontation caused by North Korea's threat to withdraw from the Nuclear Nonproliferation Treaty. That would be in America's and its allies' best interests. Before its overture on Friday, North Korea had been willing to allow the International Atomic Energy Agency to check the seals and replace the film in cameras monitoring its nuclear sites. These measures are designed to safeguard nuclear fuel from being diverted to bomb-making. But it had refused to allow full inspections of those sites, the best way to prevent diversion. Now, however, Pyongyang is prepared to open several sites unilaterally and then negotiate access to the Yongbyon sites. In the words of North Korea's Atomic Energy Ministry, "the routine and ad hoc inspections... will be resolved one by one if further high-level talks will make progress and if further consultations with the agency will be held." The present U.S. position is that before high-level talks resume, the North must first allow IAEA access to its nuclear sites and begin bilateral talks with South Korea. North Korea does not want to move first. Instead it hopes to negotiate a package deal involving simultaneous concessions. How might such a deal unfold? First, just as IAEA inspectors are visiting the reactor at Yongbyon, North-South and high-level U.S.-North Korean negotiators would meet. The United States and South Korea would inform the North of cancellation of their Team Spirit military exercises. The United States could then propose a broader package deal. In return for full access to all sites, and an end to North Korea's missile sales, it could offer diplomatic recognition, reassurance on U.S. nuclear arms, a light-water reactor for the North to generate nuclear power, and negotiation of a peace treaty formally ending the Korean War. That would open the way to Western aid and investment and a lowering of barriers to trade. North Korea could be stalling. Or it may genuinely wish to trade away its nuclear program for other benefits. The only way to find out is to probe diplomatically — by offering an enticing deal.

Post-Communists in Italy

In municipal elections on Sunday, voters in five major Italian cities chose the more moderate alternative — the candidates backed by the former Communist Party, now known as the Democratic Party of the Left. The former Communists plausibly, though paradoxically, offer themselves as the strongest remaining champion of a unified, democratic and European-oriented Italy in the months leading up to next year's national parliamentary elections. With the scandal-ridden centrist parties eliminated in first-round voting two weeks ago, coalition candidates backed by the former Communist stood head-to-head against neo-fascists in Rome and Naples and regional separatists in Genoa, Venice and Trieste. Although the rightists and regionalists emerged as the largest parties in their respective strongholds, the left coalitions captured the mayors' jobs. Italy's Communists were among the first anywhere to proclaim their full acceptance of parliamentary democracy. They have long held power at local and regional levels and their nationwide vote of between 20 and 30 percent made them a kind of silent partner in several national governments. What is different now is that the seismic corruption scandals of the past few years have shattered all their main national competitors. That leaves the former Communists, at least for now, as the main standard-bearer against the radical right. For years, Washington actively promoted Italy's Christian Democratic and Socialist parties and their smaller centrist allies as a strategic bulwark against the largest Communist Party in the West. On its own Cold War terms, American policy succeeded. Italy remained a member of NATO and enjoyed decades of impressive economic growth. But Italians paid a price. Payoffs inflated the cost of local government and paralyzed the administration of impartial justice. And the centrist coalition became entrenched as a permanent government, stifling any realistic possibility of healthy democratic renewal. The collapse of Soviet power theoretically opened the possibility of change. But it took the prosecution of top Christian Democratic and Socialist leaders and their business allies to smash the existing political system. The post-Communists, as the only major national party not deeply implicated in the scandals, were one beneficiary. So were the previously marginal neo-fascists of the Italian Social Movement and the regionalists of the recently organized Northern League. The democratic credentials of all three are open to question. But the post-Communists have gone furthest to dispel the doubts.

Other Comment

Russia's Czarist Eagle Is Back The hammer and sickle, the world-recognized symbol of the Soviet Union, has now been consigned to the same historical trash heap as the state it represented. By decree of President Boris Yeltsin, the emblem that was once omnipresent across the vast empire is to be succeeded by the once equally familiar double-headed eagle of the czarist era. The eagle seal, one head looking east, the other west, is to be mounted on all major government buildings by Jan. 1. Mr. Yeltsin intends it to mark the beginning of a new era in Russia's history. There are some, however, who nervously wonder how far the return to traditions might go. The two-headed eagle inescapably reminds a symbol of autocracy, of the claim to divinely sanctioned absolute rule. Under that claim, Russians and non-Russians brought into the empire endured long generations of exploitation, repression and brutality. Having only lately rid themselves of one despotism, Russians are now going to find themselves reminded frequently of an earlier despotic heritage. Sunday, Russians will vote in the first free and competitive parliamentary elections in 75 years. They will also vote on a new 100-page draft constitution that few of them are likely to have seen. Mr. Yeltsin, again by decree, had originally forbidden any of the 13 parties seeking seats in the new legislature to criticize the draft. Now, under pressure even from some of his supporters, he has backed off. That is a small victory for open debate. It will take many such victories before Russians can feel they have truly broken free of the harsh past that both the hammer and sickle and the two-headed eagle represented.



East Europeans, Too, Should Go Away to School

WASHINGTON — The World Bank has just published "The East Asian Economic Miracle," a 390-page examination of economic growth from 1965 to 1990 in Japan, South Korea, Taiwan, Hong Kong, Indonesia, Thailand, Malaysia and Singapore — what the bank calls the high-performance Asian economies. These economies have grown more than twice as fast as the rest of Asia and three times as fast as Latin America. In trying to explain this, the authors draw some useful conclusions but miss an important one. And this missing conclusion points to some urgent lessons about the bank's newest challenge: the former Communist countries of Europe. First, the authors point out that the leadership in the Asian countries they studied got the fundamentals right: high levels of domestic savings, aggressive investments in primary and secondary education, good macro-economic management and limited price distortions. The authors admit that they cannot explain it all. The factors they studied, run through a predictive model, pointed to growth rates dramatically smaller than those that occurred, leaving an "unexplained residual." The explanation may be found in a massive transfer of skills and knowledge which the report's authors failed to examine: Tens of thousands of East Asian business and political leaders have attended foreign universities, in the United States and elsewhere, in the past several decades. A superficial glance at the business and banking communities in the Asian countries shows many foreign graduates in strategic positions. This is also true for governments. For example, the prime minister of Singapore is a graduate of Williams College, the education minister went to the University of London, and the finance minister to the University of California at Berkeley. Thailand's finance minister graduated from Harvard and Stanford, and his father, one of Thailand's most successful bankers, graduated from the University of Pennsylvania in the late 1930s. In the 1991-92 academic year, Japan had 40,700 students in the United States, Taiwan 35,552, Korea 25,719, Hong Kong 13,191, Thailand 7,685, Indonesia 10,251, Malaysia 12,645 and Singapore 4,755. Except for a small decrease for Malaysia, all of these numbers represent an increase over the previous year. Figures for schools in Canada and Western Europe will probably tell the same story. These figures represent a continuing annual investment of more than \$5 billion in foreign study in the United States alone. This is too large to ignore on financial or intellectual grounds. The report's authors point out how important investments in primary and secondary education have been. But the entire education picture deserves attention. The authors need to ask if those high-performance Asian economies could have grown as they have without this critical mass of foreign-educated leaders. If the answer is "no," then the lesson for the East European countries is clear: They are woefully behind in developing this critical type of intellectual capital, and if they do not develop it they will not catch up, which would be disastrous for all. The numbers are not encouraging. In the 1991-92 academic year, the Asian countries in the study had more than 150,000 students in America alone. The former Warsaw Pact countries had fewer than 6,500. Singapore, with 3 million people, had 4,755 students in America. The former Soviet Union, with more than 200 million people, had less than half that number. The problem is even sharper than the raw numbers indicate, since in many ways the East Europeans need the intellectual capital that foreign study offers even more than the Asians do. The latter have long had market economies, but the people in Europe's new democracies are not only inexperienced with market techniques and practices but, more important, have not begun to absorb the premises and attitudes behind those procedures. For the foreseeable future, attendance at foreign schools will offer the East European countries the best instruction in techniques and the opportunity to absorb the new attitudes that these new economies must have. As history has shown, many of the returning students will be leaders. Some will directly strengthen their countries' schools by joining faculties. Others will teach by example in the workplace. All will help tie their economies into the world market.

Worried East Europeans See the West Overlooking Them

IT MAY seem odd to a visitor from the West that serious people in East European capitals are talking about "imperial" dangers posed by Moscow, but they are. Respected commentators charge on radio and television that Poland is the victim of "another Western betrayal." A front-page headline in the Polish newspaper Zycie Warszawy proclaims that "Imperial Russia Is Becoming a Fact." Justified or not, these fears reflect a growing East European perception of reality, and thus constitute a political life of the West should take with equal seriousness. Many Poles, including top foreign policy experts, see their country directly menaced by a resurgent and nuclear-armed Russia, and they are afraid that unless the West intervenes Poland and the rest of Eastern Europe will be drawn once more into Moscow's sphere of influence. The West has made no secret of its intention to do nothing — such as expanding NATO membership eastward — that would jeopardize Boris Yeltsin's standing with the Russian military or interfere with Defense Minister Pavel Graciov's new defensive doctrine and his fears that Russia is being encircled. Such a Western stand on security matters, combined with reluctance to provide meaningful economic aid and open markets, may lead to acts of political desperation by East European governments to protect themselves. Strongly nationalistic groups could reach for power, with extreme conservatives and former Communists uniting, triggering new turmoil and jeopardizing the nascent democracies. It would be folly for the West to allow history to take such a course just four years after the walls built by totalitarianism came crashing down.

They Bless a Statue of a Mass Murderer

NEW ORLEANS — On Oct. 22, the day after the U.S. Congress granted Romania most-favored trade status, a statue of Ion Antonescu was erected in Sibotia, near Bucharest. General Antonescu, the fascist dictator during World War II, was responsible for the deaths of at least 250,000 Jews and 20,000 Gypsies. This is the first statue of a war criminal from Eastern Europe to be erected since the war. The dedication was attended by government officials including Mihai Ungheanu, an aide to former President Nicolae Ceausescu and current secretary of state for culture, and Corneliu Vadim Tudor, a member of parliament who is a vicious anti-Semite. Other statues of General Antonescu are planned in several cities. This campaign to rehabilitate a mass murderer has terrified the Jews still in Romania. Anti-Semitic attacks are common in far-right newspapers and parliamentary speeches, but the Antonescu monument takes the situation to provocative new heights. The content of the Romanian Holocaust, rivaling Nazi Germany's in savagery, is still not widely known. Radu Ioanid, director of the National Registry of Jewish Holocaust Survivors at the Holocaust Museum in Washington, has studied recently opened archives in Romania and concluded that the dimensions of the tragedy have been vastly understated. During the Ceausescu regime, official policy perpetuated the myth that Romanian fascism was more benign than elsewhere and that most Jews survived the war. This turned out to have been pure disinformation by Mr. Ceausescu, who needed the old murderers to support his own amalgam of national socialism. The money to erect the statue of General Antonescu in Sibotia came from police officials and Ioanid Constantin Dragan, an émigré businessman and former member of the fascist Iron Guard. President Ion Iliescu, who has made public speeches condemning anti-Semitism, could easily have dismissed the Sibotia police chief and nipped this outrage in the bud. Mr. Iliescu's own father was an inmate in one of General Antonescu's notorious prison camps, at Tirgu Jiu. The president's failure to act testifies to the power of the extreme right wing in Romania today. In 1991, the U.S. Congress passed a resolution on anti-Semitism in Romania that tied assistance, especially most-favored-nation status, to progress in "combating anti-Semitism and in protecting the rights and safety of its ethnic minorities." Romania is thumbing its nose at America's concerns and underscoring the growing feeling in Eastern Europe that the United States is incapable of a firm policy in the region. Despite the lack of urgency in the Clinton administration, the revival of fascism in Eastern Europe is cause for great alarm. In Croatia, streets are being renamed after war criminals. This year President Franjo Tudjman nominated a former commander from the pro-Nazi Ustasha regime, Ivo Rajacic, as ambassador to Argentina. (Following protests, he withdrew the nomination without apology.) In Slovakia, Prime Minister Vladimir Meciar has proclaimed that Gypsies are a danger to the white race. In Russia, nationalists and fascists are vying for seats in parliament.

A Spat for the Neighborhood to Watch

BANGKOK — Want some light relief, other than the British royalty, from the agonies of Bosnia, Gaza, Somalia? Try the dispute raging between Prime Ministers Paul Keating of Australia and Mahathir bin Mohamad of Malaysia. Neither man is known for his reticence. Mr. Keating is capable of verbal vitriol robust even by Australian standards. Mr. Mahathir acknowledged recently that some of his controversial statements are made with an eye to getting attention for Malaysia on the world stage. So it is all the more remarkable that unstanding remarks by Mr. Keating have led to a row between the two governments. Malaysia has announced that it is downgrading relations with Australia. Foreign Minister Abdullah Ahmad Badawi said it could have "far-reaching consequences." Australian firms could lose lucrative contracts in Malaysia, including a \$2 billion naval deal. Already Australian television programs have been banned. All this because Mr. Keating described Mr. Mahathir's attitude to the Asia-Pacific Economic Cooperation group as "recalcitrant" and then in a subsequent letter to Mr. Mahathir explained the context of his words but failed to apologize. It is hard to say why Mr. Mahathir would be so upset with the word.

By Andrei Codrescu

At times, Australia has seemed to lose sight of its national interests in pursuit of joining an "Asia" whose own identity and definition vary from country to country. Malaysia has played on Australia's weakness by referring to treatment of aborigines and suggesting that Australians could not be Asians because they did not "understand Asian sensitivities," as if Asian leaders were always scrupulously polite to each other. It is possible to see in all this echoes of anti-colonialism, reaction against Western arrogance, as well as East Asian confidence in the region's economic success. In reality, nongovernmental relations between Australia and Malaysia are close and cordial. The danger in the Keating-Mahathir clash may be that it will be taken too seriously. The neighbors have been amazed and bemused by this bizarre saga. Ultimately, as a Thai diplomat put it, there is only one sensible and positive reaction: smile. International Herald Tribune.

By Philip Bowring

Indeed, it is quite possible that he is enjoying the fracas. He has always been suspicious of APCC, which was originally an Australian initiative. His suspicions were strengthened this year when the United States, which had long been lukewarm toward APCC, decided to make it a key element in Asia policy. This was seen by Malaysia as a means of heading off its own idea for an all-Asian group, the East Asian Economic Cooperation forum, as a potential counter to the NAFTA and European Union blocs. His decision not to go to President Bill Clinton's Seattle summit of APEC leaders was consistent and unsurprising. "Recalcitrant" seems extreme. Mr. Mahathir has in the process cleverly provoked Australia's overreliance on its relations with Asian countries. Mr. Keating, whose last election platform contained much rhetoric about "joining Asia," now finds himself under attack at home for barking relations with Asia by his allegedly loose talk. Australia in fact already has a higher proportion of trade with its Asian neighbors than they do with each other. But in their confusion about their own identity as a European society on the edge of Asia, Australians often speak as though Asia were some kind of club for which they had to qualify for membership. One "blackball" from the likes of a Mahathir and they would not be able to join. At times, Australia has seemed to lose sight of its national interests in pursuit of joining an "Asia" whose own identity and definition vary from country to country. Malaysia has played on Australia's weakness by referring to treatment of aborigines and suggesting that Australians could not be Asians because they did not "understand Asian sensitivities," as if Asian leaders were always scrupulously polite to each other. It is possible to see in all this echoes of anti-colonialism, reaction against Western arrogance, as well as East Asian confidence in the region's economic success. In reality, nongovernmental relations between Australia and Malaysia are close and cordial. The danger in the Keating-Mahathir clash may be that it will be taken too seriously. The neighbors have been amazed and bemused by this bizarre saga. Ultimately, as a Thai diplomat put it, there is only one sensible and positive reaction: smile. International Herald Tribune.

For India, Fracture And Flux

By S. Nihal Singh

NEW DELHI — Prime Minister V. Narasimha Rao and his ruling Congress Party have strengthened their position after voters in four of the five northern states rebuffed the rightist Bharatiya Janata Party, or BJP. Though power in New Delhi was not immediately at stake, local elections in one-third of the country were seen as referendum on the chances of the BJP's Hindu nationalist leadership coming to power in the next general elections — and as a gauge of Mr. Rao's political longevity. Congress swept the northern hill state of Himachal Pradesh, while BJP won control of the revived local assembly in the capital, which is only of symbolic importance. The BJP's greatest setback was in losing Uttar Pradesh, the most populous Indian state, which sends the largest number of members to the lower house of Parliament. The BJP had pushed its prolonged campaign for a Hindu India to a frenzied climax in Uttar Pradesh, culminating in the demolition of the 16th-century Babri mosque in Ayodhya last December. Uttar Pradesh, home of the Nehru-Gandhi family, has been the national scene of power at the national level. Congress came in third there, however, following an alliance of caste-based and socialist parties and the BJP. Amid the wave of communal violence that followed the destruction of the Babri mosque, New Delhi had dismissed the BJP administration and imposed direct rule over Uttar Pradesh and the other northern states. The election results show that the BJP is seemingly incapable, march to power in New Delhi has been checked. Congress is a tired old party but past challenges to it have been short-lived. In recent years, the BJP has eaten away at its dominance by contrasting its religious nature to Congress's traditional secularism. The BJP's problem remains how to reconcile its concept of a Hindu India with the ethnic and religious mix of the country. There are more than 110 million Muslims in a population nearing 900 million, as well as significant Christian and Sikh minorities. The political future will depend on the BJP's ability to move toward the center. To do so, it would have to discipline fanatical elements and break with dogmatic associations like the Vishwa Hindu Parishad (World Hindu Organization) and the paramilitary Bajrang Dal. Lal Kishan Advani, the BJP president, is an astute politician, but he has often adopted extremist postures for electoral profit. How far he can lead his party to a needed realignment of policies remains to be seen. The need for introspection is even greater for the Congress Party, judged by past form, a revival of its less than glorious performance in the latest elections will be perfunctory. Congress gained strength by helping win independence from Britain in 1947 and then providing an umbrella under which many tendencies could nestle. But in the past three decades, the party has suffered from splits engineered by Indira Gandhi to assert her control. Her assassination, and that of her son and successor, Rajiv, deprived Congress of the leadership of a legendary family. During his two-year rule, President Narasimha Rao has been bold in changing economic policy but timid in resolving contentious political problems. Although a fluent speaker of Hindi, the language of the North, he lacks fluency in South. Congress lost much of the North to the BJP and other parties in the last general election. Opposition efforts to displace Congress in New Delhi have failed — it had too tight a hold on the political center. The BJP's challenge from the right has been laced with a strong appeal to religious sentiments. But as the local elections proved, there are limits to the success of extremist positions in India's polity. The recent elections helped entrench caste as a factor in electoral politics in the North. Caste has long been accepted as a starting point in politics in the South. The remarkable showing of the alliance representing the lower castes and a predominantly caste-based party is being presented as the enfranchisement of the traditionally dispossessed. While the elevation of the lower castes in the political hierarchy is to be welcomed, the new divisions along caste lines mean a more fractured polity. For India, a further period of political transition lies ahead. International Herald Tribune.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: The Wrong Bottle LONDON — The inquiry into the death of the late Professor Tyndall held yesterday (Dec. 7) was of a very painful nature. Mrs. Tyndall stated that the deceased had been in delicate health for three years. "As a rule there were two bottles near the bed," Mrs. Tyndall said, "one magnum, the other choral. On Monday I measured a tablespoonful of magnum. I thought, and added water. All he said was: 'There is a curious sweet taste.' I said: 'John I have given you choral.' And he said: 'Yes, you poor darling, you have killed your John.' Mrs. Tyndall here broke down with intense emotion.

1918: Occupation March PARIS — The second stage of the occupation of the Rhenish provinces, which is to be completed tonight (Dec. 7), is proceeding according to the schedule of the forward march. The town of Oberkassel, which is situated opposite Düsseldorf on the left bank of the Rhine, is now under the control of the Belgians, who are organizing their zone of occupation west of the Rhine. Cleves, near the Netherlands frontier and the Rhine, is to be formally occupied to-day or to-morrow.1943: Wedge in Italy ALLIED HEADQUARTERS, ALGIERS — [From our New York edition:] Stabbing their way onto heights six miles southwest of Mignano overlooking the flooded Garigliano River, United States 5th Army troops have driven a deep wedge into the intricate web of fortifications of the German winter line and now hold dominating positions in a twenty-five-square-mile area commanding the road to Rome. American troops were slugging their way steadily forward against a strongly entrenched enemy through rain, mud, flooded creeks, mine fields, and barbed wire entanglements.

OPINION

The New American Terror: Killing Fields in the Cities

By A. M. Rosenthal

NEW YORK — The cities of America will not get much safer until the people who live in them get much smarter. First they will have to understand that America is going through a civil war of criminality it has never before experienced. A few decades ago, gangsters were using guns to kill each other, which was noisy but not great loss. How innocent those days seem, almost pastoral.

Now gangsters have expanded their vision. Their killing fields are whole neighborhoods, their potential targets everything in those neighborhoods that moves. That is where the drug money is — in neighborhood control, the new American terrorism.

And then, the people of the cities will have to put away their handkerchiefs

So far this year, 342 New Yorkers have been killed by stray bullets. In the past few days, two women were shot in their pregnant bellies, one while she was handing over all her money — \$2.

when they think about gun criminals. We are not dealing with misguided children or street "leaders" strutting their mouths on television, talking of gag summits.

John Ray, a member at large of the District of Columbia Council, put it as plain as it should be put. "These hoodlums aren't looking for a job," he wrote in The Washington Post. "They have a job: they are full-time, swaggering criminals, and they are good at what they do. They sell drugs, run guns, rob and steal. They have no respect for human life and will kill you with or without provocation."

President Bill Clinton told black Americans that criminals let down the values of the civil rights movement. Mr. Ray says that even to make the linkage pollutes the movement. He asks the president to lay off such sentimental connections.

Recommending gun and drug gangsters for the killers they are does not prevent work to provide jobs and education for young people who yearn for both.

The reverse: Until a clear emotional and political line is drawn between those who commit themselves to endeavor and those who have committed themselves to killing, they will be lumped together by Americans who live outside the war zones. Already that is the great triumph of bigots and criminals — the branding of all minority and poor youngsters as dangerous.

And to get the public safety to which they are entitled, city Americans must stop counting primarily on the federal government and turn to their local and state officials. The gun lobby is still strong enough, and national politicians cowardly enough, to block gun legislation equipped with a set of teeth.

Local officials have seen entrails on the sidewalks, and their souls vomit at the thought of more. In New York, Mayor-elect Rudolph Giuliani's reputation and future are totally co-opted to how much safer he can make New Yorkers feel.

Fair enough. Everybody knows mayors cannot stop crime by themselves. But Mr. Giuliani was elected because many people felt that he would fight his New York heart out trying.

He has started well, by promising to cordon off school streets from criminals, accept on police tolerance of crime and arrest the street peddlers of drugs, without whom the drug trade could not exist; and by picking his own police commissioner. I hope he also shows the inside of police stations to drug buyers. No buyers, no trade.

Mr. Giuliani says that there is still plenty of prison space. Myself, I like the idea of special courts and sentences without parole for anybody who uses a gun while committing a crime or even thinks of it by carrying one.

Special gunners' prisons would be useful, even if they have to be a bit more crowded, if necessary.

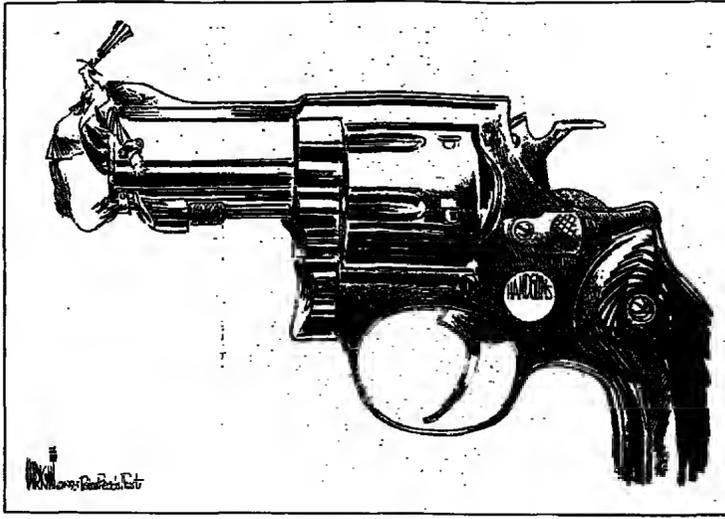
Drug therapy should be mandatory for all criminals with any record of drug use, with release time depending on successful completion.

Mr. Giuliani will meet with Mr. Clinton on Tuesday and suggest legislation to put handguns under a kind of motor vehicle law: To get one you have to register it and pass a user's test. Nice. I love it. But after the decade-long struggle over the mild Brady bill, let's not let our city folk hang around waiting, but look to our own officials and laws, and demand more.

So far this year, 342 New Yorkers have been killed by stray bullets. And in the past few days, two young women were shot in their pregnant bellies — one for a jacket, the other while she was handing over all the money in her purse, two dollars.

So Mr. Giuliani will find that in New York City there are not many handkerchiefs left for the gun killers.

The New York Times. Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



Hollywood Dodges Bullets Of Its Violent Offspring

By Richard Reeves

LOS ANGELES — Seven years ago I saw a warning sign outside a small telephone switching station in the highlands of Malaysia — left over from the hard days of British colonialism. It showed a stick figure running away, with another figure holding a rifle in firing position.

I never saw its like again until last weekend, while walking in my neighborhood. On the gate of a house on Romany Drive in Pacific Palisades, there was a large picture of a revolver pointed directly at anyone approaching the house. There were words this time: "Never Mind the Dog, Beware of Owner!" I will.

Three doors away, someone had "The Club" — the anti-car theft device that locks onto steering wheels — on his Lexus. This is on a quiet street in a pretty good neighborhood, a few blocks

from where Ronald Reagan lived before he was elected president and where Arnold Schwarzenegger just bought John Forsyth's house for \$3 million.

O Los Angeles! This is the town President Bill Clinton had come to the day before to hold a meeting focused on the continuing recession in California. But the economy was not the lead story in the next day's Los Angeles Times. The two top stories on the front page of the newspapers that came thudding onto the driveways of Romany Drive were these: "Clinton Appeals to Hollywood as Film, TV Violence," and "Clinton May Back National Gun Licensing."

The first reported on the president's speech to producers and stars able to pay up to \$100,000 for dinner with the man. He talked first about how much he loves movies and even the "mindlessness" of television as a way to numb the steering wheels — on his Lexus. This is on a quiet street in a pretty good neighborhood, a few blocks

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LETTERS TO THE EDITOR

The UN and Burma

The editorial "Rangoon Goes Too Far" (Dec. 3) made the disingenuous suggestion that Asian countries like Singapore had sought to water down this year's UN resolution on Burma. It also accused Western countries like Britain, France and Sweden of quietly bowing to these Asian pressures. This is a blatantly false picture of the situation.

This annual resolution on Burma was, as usual, drafted and coordinated by Sweden. After several rounds of consultations among many interested countries, consensus was reached on a tough and hard-hitting resolution, which deplored the continued violation of human rights in Burma and urged the government of that country to take all necessary steps to restore democracy.

Unfortunately, the United States decided not to be part of this consensus. Instead, it sought to undermine the consensus by including provisions that were not acceptable to the rest.

It is curious that the editorial parroted official U.S. views.

CHEW TAI SOO, Permanent Representative of Singapore to the United Nations, New York.

A Mugging's Rich Reward

Regarding the summary Nov. 30 of U.S. Supreme Court decisions, and Richard Cohen's comment, "The Court Allows the Thief to Make Out Like a Bandit" (Opinion, Dec. 3):

You report that the justices "left intact a \$4.3 million award won by a subway station mugger from the New York City

Transit Authority after he was shot and paralyzed while trying to escape.

Is the taxpayer being asked to compensate the mugger for lost mugging income? How many people, muggers or otherwise, earn \$4.3 million in their lifetimes? What is the point of awarding such huge benefits to people who are injured while committing a crime?

There are two lessons to be learned: 1) crime pays; and 2) the prolonged study and practice of law may be hazardous to one's common sense.

SANDRA R. WERTH, St.-Nom-la-Bretèche, France.

Mr. Cohen's comment that "something has got out of whack in America's criminal justice system" is totally correct. It would be interesting to know what part of the \$4.3 million went for lawyers' fees. That might indicate where the problem with the criminal justice system lies.

HUGH BISHOP, Jakarta.

Above All, Be Patient

I detect a strain of unrealistic expectations in many of your letters and editorials on the formation of free-trade blocs. Yet I am heartened by all of these movements. The glass is not half-empty but half-full. The doomsters notwithstanding, there has been at least halting progress on all fronts.

Each economic movement will build more upon its past successes than on its past failures. Each will be advanced by the successes of the other blocs more than set back by interim failures of others. Above all, we must be patient.

GERALD D. HARDY, Manchester, Connecticut.

Olympic Commercialism

Regarding "For Olympic Chief, a Marathon Mission" (Sports, Nov. 4):

George Vecsey calls Juan Antonio Samaranch "the most important sports figure in the world." Mr. Samaranch has completed the transformation of the Olympic movement from one of ideal amateurism to one of pure commercialism. The Olympic Games are up for sale to the highest bidder, and the people who ultimately foot the bill are the taxpayers in the host countries — as anyone in Norway will tell you.

NORMAN SANDERS, Drummen, Norway.

Merely Suburban

Regarding "For Sale: Kitchen Tips by Duchess of Windsor" (Back Page, Nov. 25) by Frank J. Priat:

Gift-sur-Yvette, less than 25 kilometers (15 miles) from Notre Dame Cathedral, is definitely not about two hours from Paris, unless the duchess was walking home. The trip takes less than an hour by car or commuter train.

The village is also known for the state research laboratories located there and for having hosted the Henry Kissinger-Le Duc Tho talks that helped end the Vietnam War.

PIERRE LASZLO, St. Rémy-les-Chevreuse, France.

The Way We Live Now

Regarding "A Great Crisis of the Spirit" (Nov. 15) by Douglas Jehl: President Bill Clinton has identified

the U.S. epidemic of violence as something that "will destroy us." Yet, most Americans seem to be in a state of denial over the problem and its impact.

The dangerous way Americans live, accepting the fact of violence, and then altering their lives in so many ways until life itself seems one huge exercise in staying one step ahead of the bullets, is an aberration. Are Americans "cocooning" and "burrowing" to stay close to their families or simply to stay off the streets?

In Europe, we have rediscovered stimulating, human cities, the wonder of safe streets, the joy of children in wide open playgrounds and the excitement of night life. We don't bother to check the back seat of the car, to time our return before dark or to think twice before venturing out for a film or a concert. Face it: The word "freedom" means little in a country where citizens have no liberty from fear of being shot dead.

Yes, Italy has its problems, official corruption and overtaxation being some of the worst. Crime is up here, too, with burglaries and purse-snatching common enough. But bureaucrats and crooks take only money. In Italy, we still have our lives.

KATHLEEN MAZZOCCO and five others, Milan.

Sex, to Grant or Withhold

Regarding "A Crucial Role in the Cities for Women, the Civilizers" (Opinion, Nov. 30) by William Raspberry:

It worked for Lysistrata, didn't it? SHARI LESLIE SEGALL, Paris.



Handwritten text in Arabic script: "مكتبة لاطك فيلippe"

# Malaysians Fuming Over Keating's Jab

## Kuala Lumpur Is Determined To Get an Australian Apology

**Michael Richardson**  
*International Herald Tribune*

SINGAPORE—Prime Minister Paul Keating of Australia has a sharp tongue, which he frequently uses on political opponents at home. His colorful invective is accepted, although sometimes criticized, in the rough-and-tumble of Australian politics.

But when Mr. Keating called Prime Minister Mahathir bin Mohamad of Malaysia "a recalcitrant" for boycotting last month's meeting of leaders of the 17 members of the Asia-Pacific Economic Cooperation forum, it hit a sensitive nerve of nationalism in Malaysia.

The Malaysian cabinet will meet in Kuala Lumpur on Saturday to decide how the government should respond, after a number of ministers asserted that Mr. Keating had failed to show he was sorry.

Some Malaysian officials are calling for tough economic sanctions against Australia and a downgrading of diplomatic relations.

"The cabinet decision could have far-reaching effects on the bilateral relations between the two countries," Abdullah Ahmad Badawi, the Malaysian foreign minister, warned.

Analysts said that while Malaysia appeared to be overreacting, Mr. Keating's intemperate comment had enabled Mr. Mahathir to rally support following party elections in which he was reported to have lost ground to younger leaders.

Clive Kessler, a professor in the Asian studies center at the University of New South Wales in Sydney, said the incident had also given Mr. Mahathir an opportunity to divert attention from his miscalculation in boycotting the forum meeting, a decision that left Malaysia virtually isolated in the region.

Even Malaysian critics and opponents of Mr. Mahathir—who has offended some of his Asian neighbors and many Western nations with his own abrasive conduct in the past—have rallied behind him on this occasion, suggesting that Malaysian national pride is at stake.

Musa Hitam, a former deputy prime minister who resigned some years ago after clashing with Mr. Mahathir, said that Mr. Keating's behavior was "quite symptomatic of how insensitive Australians are" toward Asia as it seeks to develop closer economic, political and security ties with the region.

Official relations between Malaysia and Australia have deteriorated sharply in recent days.

But Australia insisted Tuesday that there was nothing more it could do to settle the dispute following a letter sent by Mr. Keating to Mr. Mahathir last week. The text has not been published.

Gareth Evans, Australia's foreign minister, said in Parliament that the Malaysian prime minister had been told that no offense was intended.

"We can't state it any more clearly than that," he added.

Najib Razak, the Malaysian defense minister, earlier said that it might end all arms deals with Australia unless Mr. Keating "explicitly showed repentance."

Such a ban would preclude Australia from winning a contract to build 27 offshore patrol vessels for Malaysia.

Malaysian officials said that the Australian company had put in a strong bid for the contract, which would be worth about \$1.6 billion.

Mr. Najib said that the Five Power Defense Arrangements, under which the armed forces of Australia, Britain, New Zealand, Malaysia and Singapore exercise together regularly, would not be affected by sanctions against Australia.

He said that these arrangements were "in the interest of the whole region" and "cannot be compromised simply because we have bilateral problems."

### NEWS ANALYSIS



**RED STAR OVER CHINA** — A visitor making his way down after having inspected one of Mao Zedong's favorite airplanes, a Russian-built Il-14 that was used by the Chinese leader for inspection trips in the 1950s. The plane is one of three of Mao's private flotilla that is now on display at an aviation museum near Beijing to mark the 100th anniversary of Mao's birth on Dec. 26, 1933.

## Beijing Raises the Stakes on Hong Kong

*Compiled by Our Staff From Dispatches*

HONG KONG — China will start discussions this week on the formation of a Hong Kong legislature in 1997 that would replace any such assembly elected under a disputed British plan for political reform in the colony, a Beijing-appointed adviser said Tuesday.

The disclosure by the adviser, Professor Lan Siu-kai, is seen as China's first concrete countermove in a showdown with Britain over plans for broadening democracy in Hong Kong.

Britain has sought Chinese assurances that legislators elected in 1995 can serve out their four-year terms beyond Hong Kong's transfer to Chinese sovereignty in 1997.

But Professor Lau said China would give such an assurance only if Britain and China agreed on how the 1995 elections would be conducted. "That doesn't seem very likely at the moment," he said in a telephone interview.

Professor Lau said a China-appointed committee to which he belongs would meet Thursday through Saturday in Beijing to discuss a new legislature.

A 17th round of Chinese-British talks collapsed late last month without resolving the dispute. Beijing has so far left unanswered Britain's offer for an 18th round of talks focusing just on Hong Kong's political future.

A separate set of meetings, involving the Joint Liaison Group, opened in London on Tuesday as scheduled. The liaison group, including Chinese and British officials, was set up to ensure a smooth handover in 1997 and encompasses issues from trade and air traffic to military arrangements.

Professor Lau, a sociologist at Hong Kong's Chinese University, said that without agreement, Hong Kong would have no legislature for the first three to six months of Chinese rule, until new elections are held.

"The Chinese side will concentrate on the building of a new government and gaining public support for the new regime," he said.

Last week, saying that negotiations with China were fruitless, Chris Patten, the British governor of Hong Kong, announced he would unilaterally introduce some of the reform plans he unveiled 14 months ago.

That move, Professor Lau said, meant China could no longer count on British cooperation in the transfer of power.

He said his committee would begin formal planning for the 1997 elections if Mr. Patten submits his proposals for approval in the legislature later this month.

China's Preparatory Work Committee, comprising 37 Chinese and Hong Kong public figures, was formed to prepare for 1997. It is led by Foreign Minister Qian Qichen.

Hong Kong media said President Jiang Zemin would address the group when it meets in Beijing's Great Hall of the People.

Mr. Patten plans to submit a partial bill on Dec. 15 that would lower the voting age to 18, abolish appointed local council seats and simplify the voting system in 1994 and 1995 elections, the last before the Chinese takeover.

China has guaranteed to maintain Hong Kong's autonomy for 50 years after 1997, but says Mr. Patten's plans violate accords on the colony. (A.P. Reuters)

## Pro-Animal Campaign Sets Sights on France And Its Foie Gras Trade

**By Barry James**  
*International Herald Tribune*

PARIS — An American animal rights group took its campaign to the streets of Paris on Tuesday to protest what it says is cruelty in France.

For French farmers, this was one more piece of bad news. First GATT, and now an American-led attack on the foie gras trade, which the Washington-based People for the Ethical Treatment of Animals has announced as its next priority. PETA encourages its members to also oppose battery hen production and other intensive farming techniques in France, as well as waging war on animal experimentation by perfume companies.

The action on Tuesday at the headquarters of French Vogue magazine came after a similar action against the publication's New York headquarters two months ago.

At issue is the magazine's refusal to accept ads by PETA, while accepting them from furriers.

"Our money is good," said Dan Matthews, PETA's international campaign director. "We think we have a right to an equal hearing."

In New York, PETA plastered Vogue's chic offices with stickers and yelled slogans for 45 minutes before the police arrived. The Paris police were clearly better informed than their New York colleagues. They had the Vogue offices cordoned off even before the demonstrators arrived. It was also raining, which dampened the spirit of the occasion.

Nevertheless, seven young women—dressed in tatty furs soaked in red paint, and chanting "Help!"—tried valiantly but unsuccessfully to get over, under and between the 19 policemen guarding the building.

Finally, they gave up and went to lie down in the road in front of the National Assembly. The police gave them a few minutes, then hauled them into a van and drove off. The women, two Americans, a Briton and five French, were taken to a nearby police station for questioning.

"Excellent," said Mr. Matthews as he surveyed PETA's first street theater action in France.

Mr. Matthews said PETA had 400,000 members in the United States, and was planning to extend throughout Europe where, he said, the need is great. He said PETA was the largest animal-rights group in the world and also acted as an umbrella for organizations like France's National Society for the Defense of Animals.

PETA has also set up offices in London, Hamburg and Amsterdam, where activists plan to march naked through the city's Christmas market on Thursday wearing Santa hats and carrying a sign reading, "We would rather go naked than wear fur."

The animal-rights movement clearly faces an uphill struggle in wearing the French away from one of their favorite delicacies, foie gras, which is made by force-feeding geese until their livers swell.

"But we have to start somewhere," said Sandra Gabriellini, an American married to a Frenchman, who was handing out leaflets showing a furry animal caught in a hunter's trap.

### Arafat Begins Talks in Bonn

*Agence France-Press*

BONN — The Palestine Liberation Organization leader, Yasser Arafat, arrived Tuesday amid tight security for his first official visit to Germany at a critical time for the Middle East peace process.

Doures said security was on a level accorded heads of state or government. Mr. Arafat was not received with military honors or greeted by Chancellor Helmut Kohl on arrival, but he was staying at the Petersberg residence near Bonn reserved for important state guests.

He was beginning his talks with Foreign Minister Klaus Kinkel and then meeting with Arab ambassadors before seeing Mr. Kohl and playing host at a reception.

## King Charles? Church May Say No

*Reuters*

LONDON — Speculation increased in Britain on Tuesday about whether Prince Charles will become king after revelations of high-level church opposition to his accession if allegations of marital infidelity prove true.

In an unusually blunt public statement, a senior Church of England figure publicly cast doubt on the prince's fitness to be crowned king if he had, in fact, broken his marriage vows.

The archdeacon of York, the Venerable George Austin, said in a BBC interview that if press reports of the prince's relationship with Camilla Parker Bowles, his old girlfriend, were true, "How can he then go into Westminster Abbey, and take the coronation vows?"

His comments drew the Church of England deeper into the debate surrounding Prince Charles and his stormy 12-year marriage to Diana, Princess of Wales.

The Sun newspaper said the church's spiritual leader, the Archbishop of Canterbury, George Carey, was pressing for the heir apparent to renounce the throne in favor of his son, Prince William.

But its report was swiftly denied by Archbishop Carey's office. Archdeacon Austin later added fuel to the fire, however, by saying that although he doubted the archbishop was thinking along those lines "at this stage," he might well do so as the question of the succession comes closer.

As king, Prince Charles, 45, would become head of the Church of England and defender of the Anglican faith, which preaches that marriage vows are sacred.

Speculation on the royal couple's future has increased since Princess Diana announced last week that she was retreating from public life from the end of the year. The couple separated last Dec. 9.

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# Syria Edging Back To the Peace Table

## Assad Ready to End Boycott; January Resumption Is Seen

By John M. Goshko  
*Washington Post Service*

JERUSALEM — Syria is ready to end its boycott of the peace talks with Israel in Washington, and Secretary of State Warren M. Christopher expects to announce a January resumption of the negotiations after he confers with President Hafez Assad in Damascus on Thursday, U.S. and Israeli sources said.

It is not clear whether simply resuming talks will lead to any breakthrough in the Syrian-Israeli talks, which have been stalemated since the U.S.-sponsored peace process began in late 1991.

But it would represent at least limited success for the U.S. strategy of coaxing Syria back to the negotiating table through a series of gestures that hold out the promise of better relations between the United States and a country that long has been among the most anti-Western and anti-Israeli Arab states.

The outlines of the U.S. approach began to emerge last week with suggestions that greater Syrian flexibility toward the peace talks eventually could lead to such marks of increased respectability in the West as a meeting between Mr. Assad and President Bill Clinton and to Syria's removal from a U.S. list of countries that aid international terrorism.

U.S. sources said that the first step in that direction likely would come in the next few days with American permission for Kuwait to resell three U.S.-made Boeing 727 commercial airliners to Syria. As a country on the terrorism list, Syria normally would be barred from acquiring U.S. equipment that might have military applications.

The sources said that the administration was willing to grant an exception for the 727s because their potential for military use was insignificant. The officials stressed, however, that Syria was not being removed from the terrorism list and that all other pertinent U.S. sanctions would continue to apply.

Mr. Assad, while giving no hint that Syria might moderate the demands it was making from Israel, has responded with some unexpected and significant conciliatory gestures. When Mr. Christopher was in Damascus on Sunday, the Syrians told him that they would allow those Jews still in Syria to obtain exit permits by the end of this month. They also offered to assist a U.S. congressional investigating team that is seeking to determine the fate of seven Israeli soldiers missing in Lebanon since the 1980s.

Mr. Christopher declined to comment Tuesday on the state of play with Syria, and the sources said that some small problems still must be resolved when the secretary goes to Damascus.

But Prime Minister Yitzhak Rabin, in remarks to reporters, came close to acknowledging that both sides were on the verge of reviving the Syrian-Israeli talks.

The only question is what will be the timetable when these negotiations will be resumed, the Israeli leader said. "And the secretary mentioned that there is something that can be reached in terms of the timing, and he will announce it toward the end of his visit in the area."

The talks have been in recess since September, when Mr. Assad, angered by Israel's separate agreement with the Palestine Liberation Organization, declared that Syria would not negotiate further unless Israel declared its willingness to withdraw from the Golan Heights, captured from Syria in 1967.

Mr. Rabin, for his part, indicated that he would prefer a pause in the Syria talks while his government concentrated on implementing its agreement with the PLO to withdraw Israeli troops from the Gaza Strip and the West Bank town of Jericho. The withdrawal is supposed to begin Monday, although violent opposition from extremists on both sides has caused numerous deaths since September.

The United States is anxious to get the Syrian-Israeli track moving again.

The secretary of state said that it was "entirely appropriate" that Mr. Rabin "give priority to moving forward" on the Gaza and Jericho withdrawals.

But the United States is committed to a comprehensive solution in this region, he added. "We're committed to the idea of all tracks moving, perhaps not at the same pace, but nevertheless moving toward the same resolution of peace in the area."

The sources said Mr. Christopher had won Mr. Rabin's agreement to go along with the U.S. desire for a new push on the Syrian track. But they were unable to say whether Mr. Rabin would move from his stated position that Israel would agree to a partial withdrawal from the Golan, but only after Syria announces its willingness to make full peace with Israel.

# In Nobel Lecture, Morrison Denounces Oppressive Language

By Eugene Robinson  
*Washington Post Service*

STOCKHOLM — Tom Morrison, the first black American to receive the Nobel Prize in Literature, spoke Tuesday of the ability of language to oppress and empower as she delivered her Nobel lecture to a packed house in the Grand Hall of the Swedish Academy.

"Oppressive language does more than represent violence, it is violence; does more than represent the limits of knowledge, it limits knowledge," Ms. Morrison said. "Whether it is the malign language of law-without-ethics, or language designed for the empowerment of minorities, hiding its racist plunder in its literary cloak, it must be rejected, altered and exposed."

She equated language with existence itself. "We die," she said. "That may be the meaning of our lives, but we do language. That may be the measure of our lives."

The lecture was one of the highlights of a week of events for the 62-year-old novelist and Princeton University professor. On Friday, she and this year's other Nobel winners will receive their prizes and then be honored at a dinner at Stockholm's city hall.

Ms. Morrison was given a standing ovation before she began her lecture on Tuesday evening and another when she finished. In between, she spoke metaphorically, and at times more directly, about the power she finds in the written and spoken word.

"Fiction has never been entertainment for me," she said. "It is the work I have done for most of my adult life."

The choice of Ms. Morrison for the Nobel generally won warm praise, but a few writers groused that it had less to do with merit than "political correctness."

On Tuesday, Ms. Morrison offered what could be read as a spirited defense of the view that words are weapons, often used by the strong against the weak.

The lecture took the form of a meditation on a folk tale: An old, blind woman lives on the outskirts of town. Some children decide to play a trick on her. One of them says he has a bird in his hand, and asks her to tell him if it is living or dead. The woman is silent for a long time, then finally says: "I don't know whether the bird you are holding is dead or alive, but what I do know is that it is in your hands. It is in your hands."

The bird, Ms. Morrison said, can be read as a metaphor for language itself. And a dead language is not only no longer in use, but also one unrecognizable to new speakers, new ways of speaking and new ideas — "statist language, censored and censoring."

Words can be used to "sanction ignorance and preserve privilege," she said, to provide "shelter for despots," to create "menace and subjugation." There is "diplomatic language to countenance rape, torture, assassination" and "seductive, mutant language designed to throttle women, to pack their throats like pâté-producing geese with their own unsavory, transgressive words."

"Underneath the eloquence, the glamour, the scholarly associations, however stirring or seductive, the heart of such language is languishing, or perhaps not beating at all, if the bird is already dead."

But despite its power, she said, language is not a substitute for experience, but rather "arcs toward the place where meaning might lie."

At the end of Ms. Morrison's folk tale, the children who have come to taunt the blind woman react to her gnomic answer by telling a story of their own. The point is that they have approached the encounter speaking different languages and end up telling a narrative together.

The author of six novels, Ms. Morrison is best known for two books, "Song of Solomon" and "Beloved." In awarding the prize, the Swedish Academy praised her work as being "characterized by visionary force and poetic impact," adding that it "gives life to an essential aspect of American reality."

The prize, first given in 1901, is worth \$825,000 this year. Ms. Morrison is the eighth woman to win. Black American writers like James Baldwin, Richard Wright and Ralph Ellison were never honored.

The daughter of sharecroppers, Ms. Morrison was born Chloe Anthony Wofford. She attended Howard University and Cornell University, where she received a M.A. in American literature. She married, had two sons and divorced, and began writing fiction when she was working as a book editor in New York.

When "Beloved" failed to win a National Book Award, four dozen black writers wrote a statement of protest. The book was later awarded a Pulitzer Prize.

Ms. Morrison's work has drawn some criticism for what some call excessively negative portrayals of black men. But on Tuesday there was no controversy. Ms. Morrison smiled and smiled broadly as she surveyed her rapt audience. The fairy tale was hers.

## SHIFT: White Rule Ends

Continued from Page 1

accept a loan of nearly \$800 million from the International Monetary Fund for balance-of-payment relief from drought-related debt.

The government and the ANC-led liberation forces also agreed in principle this week on an amnesty for all those who committed political crimes during the apartheid era. The parliament elected next year will determine the cutoff date.

The rightist protest outside of Pretoria was a "symbolic act of resistance" against the inauguration of the council, according to leaders of the Pretoria Boer Commando, the group that took over the fort-museum early Tuesday. Defense forces surrounded the structure and cut off water and electricity, and negotiations to end the standoff continued.

The transitional council will have subcommittees to deal with defense, intelligence, law and order, women's issues, finance, foreign affairs, local government and traditional leaders.

It is supposed to establish a multiparty peacekeeping force to guard against intimidation during the election campaign, but there are doubts whether such a force will get off the ground in time for the vote.



A rightist taking aim Tuesday in a Boer War museum site near Pretoria. He is one of 30 occupying the fort to protest the new council.

## BLACKS: Will South Africa Be Able to Salvage Its Embittered Youths?

Continued from Page 1

witnesses testify. The consensus among these young people is that Amy Biehl was at fault for coming where she was not wanted, and that the white courts have no right to judge the accused.

The death is now part of the community lore. Residents call the slain woman Amy. Without being asked, they will point out the spot where she was killed.

"It's the whole country, it's not only the few children," said Wowo Nofomela, 47, whose 22-year-old son, Mzikona, is one of those on trial. "The environment is not right."

Guguletu's bleak environment has rapidly deteriorated under the migration of rural poor seeking work. The original dreary blocks of tiny homes have been swamped by squatter shacks, muddy warrens of smoke-stained shacks.

To Mr. Nofomela, a groundskeeper, the miracle is that Mzikona is the first of his six children to get in trouble. They grew up without playgrounds, often without shoes. Four are now adults, and jobless.

For all his suffering, though, Mr. Nofomela defers to whites; his children do not.

"Our parents, they are cowards for the Boer," said Linda Mayekiso, 21, the girlfriend of Mzikona Nofomela, and like the arrested man, an ardent Pan-Africanist. "The youth are not scared, and they have power."

Besides, she said, the adults had jobs to lose, however poor. The youth have nothing to lose, even prospects.

The militant leaders who provide the political vocabulary for the anger say they discourage racial hatred by delicately avoiding the word "white" and describing the enemy as "settlers," or "oppressors." But they concede that such distinctions are often lost on the streets.

As the apartheid barriers erode,

familiarity seems to breed only more resentment.

Vusumuzi Noge, an 11th grader who transferred this year to a newly integrated school in the prosperous white suburb of Mowbray, said he was heartbroken and wrathful to see the libraries and laboratories unimaginable in Guguletu. To the snubs of white students, he responded with steely defiance.

"I don't care," he said. "Because it's not their land, it's our land. It's all our land."

Among the angry young, the scheduling of the first free elections has not diminished the bitterness. Some expect a quick and chilling disillusionment.

"It's going to get worse, because each and everybody, they have got visions," said Martha Holobou, 23, who runs a fruit stall at the edge of one of the squatter camps. "People think freedom means they will all move to the rich houses in Mowbray, and the whites in Mowbray will move here."

Nelson Mandela, the African National Congress leader, has sought to dampen dreams of sudden economic equality. The Pan-Africanists encourage such hopes as a birthright.

(AP, AFP)

## Don't Free Spy, Clinton Advisers Urge

By David Johnston  
*New York Times Service*

WASHINGTON — President Bill Clinton's advisers are recommending that he reject an appeal for clemency by Jonathan Jay Pollard, an American Jew who was convicted of spying for Israel in 1967, and sentenced to life in prison, according to American officials.

Faced with solidifying opposition within the administration, officials said it appeared unlikely that Mr. Clinton would shorten Mr. Pollard's sentence despite an intense lobbying campaign by American supporters and a personal plea to Mr. Clinton last month by Prime Minister Yitzhak Rabin of Israel.

But these officials were cautious about predicting Mr. Clinton's action in exercising what is solely a presidential power to grant clemency. They emphasized that he had yet to make up his mind and that an outpouring of protest to reports of rejecting clemency could alter his decision.

Mr. Pollard was employed as an intelligence analyst for the U.S. Navy and was paid thousands of dollars for spying on the United States. Some supporters of Mr. Pollard said the administration had quietly floated alternative choices for the president.

Under one proposal, Mr. Clinton could commute Mr. Pollard's sentence, but only on the condition that he serve the nearly two years remaining before he is eligible for parole. Another proposal would have Mr. Clinton merely hint that he might act favorably sometime in the future.

The emotional case has trapped Mr. Clinton between seemingly irreconcilable forces: Israel and some American Jewish groups on one side and American prosecutors and intelligence officials on the other.

"This was largest physical compromise of United States classified information in the 20th century," said Joseph E. DiGenova, a former U.S. attorney who prosecuted the espionage case.

As the apartheid barriers erode,

## RICE: Japan Will Open Its Market

Continued from Page 1

cal reform bill by the end of the year, and fired his defense minister for speaking openly about amending the constitution.

"This has not been our finest few days," one of his political operatives said. But industrialists, who have long called for dismantling the rice lobby, were clearly ecstatic.

Given the obvious political sensitivities, Mr. Hosokawa's government has carefully stage-managed the rice debate for months. It waited until the last possible moment to agree to the opening of the market so that it would appear that Japan was cornered by its trading partners.

Government leaders publicly insisted they would never open the market, while preparing the groundwork by hinting that opening of the market was inevitable.

The draft accord that was "sent" to Japan by negotiators in Geneva, who were arguing over the last changes to the General Agreement

on Tariffs and Trade, was actually worked out by Japan and the United States several weeks ago.

Thus it was no surprise when the foreign minister, Tsutomu Hata, made it clear that Japan would not press for further changes in a draft agreement that postpones placing tariffs on imported rice for six years, but requires Japan to import at least 4 to 6 percent of the rice it consumes each year, or 3.6 million tons of foreign rice during that period.

"This proposal is virtually the final one," Mr. Hata said, not mentioning that the deal already had been worked out. To ease the way, the finance minister, Hirohisa Fujii, hinted that the government would compensate farmers who are hurt by the new trade rules.

Though the rice opening has been a contentious issue between Japan and the United States for years, soaking up thousands of hours of negotiations, the American agricultural industry is unlikely to benefit greatly.

A relatively small segment of American rice farmers, mostly in California and Arkansas, grow the short-grain rice eaten here. The bulk of the imports will likely come from Thailand and China.

Mr. Hosokawa was not the only one attempting to weather a political storm generated by last-minute concessions for a new trade agreement, called the Uruguay round of the General Agreement on Tariffs and Trade.

In South Korea, which also has a highly protected rice market, farmers and politicians took to the streets when it became clear that President Kim Young Sam had secretly agreed to a deal almost identical to Japan's. More than 30,000 protesters gathered in front of the main railroad station in Seoul, and there were violent clashes as thousands surged toward the U.S. Embassy carrying signs condemning the United States for bringing ruin to the country's 5.7 million farmers.

Indeed, among millions of South Koreans, the emotional rice issue has completely overshadowed any discussion or gratitude for American efforts to force North Korea, the South's enemy for four decades, to give up its nuclear weapons program.

## SPACE: Telescope Receives an Exotic New Set of Eyes

Continued from Page 1

Thornton and Tom Alers planned to step out of the aircraft for the final optical fix before 11 P.M. EST Tuesday (0400 GMT Wednesday).

By then, the telescope was to have been rotated 90 degrees on its turntable to expose the day's work site on its silvery flank. Over the next few hours, they were scheduled to remove the telescope's least-used instrument, a High Speed Photometer, to make room for Costar — the Corrective Optics Space Telescope Axial Replacement.

In a procedure similar to the one used to install the new camera the previous morning, they were to slide the massive box onto guide rails and — like a huge vertical dresser drawer — into the cavity held by the photometer. They were to connect an electrical grounding strap, make electrical attachments and close and latch the protective doors in the telescope's outer hull.

Early Tuesday morning, Jeffrey A. Hoffman and Story Musgrave had made the whole operation look easy, smoothly sliding a replacement camera into its tight cavity in the telescope.

The flight director, Milt Hefflin, credited not only the crew but also the design of the telescope, with its replaceable modular components, handrails and bolts designed to mate with power tools.

In addition to moving the massive camera with fingertip precision, the pair spent a lot of time using the power ratchet tool, counting the required number of turns out loud on every bolt. "Five turns to the hard stop. O.K., I can feel we're engaged. Started to slip at about 5 1/2 turns," Mr. Hoffman said in a typical exchange. Then, to copilot Kenneth Bowersox, operating the robot arm with Mr. Hoffman on it, "Up a foot. Stop!"

## French Assembly Votes To Lift Tapie's Immunity

PARIS — The French National Assembly voted Tuesday to lift the immunity from prosecution of Bernard Tapie, a businessman turned politician, former minister and soccer team owner.

Mr. Tapie is under investigation by a magistrate for alleged financial irregularities at the Testut weighing machine firm that belongs to his holding company, Bernard Tapie Finance.

A former manager of the company has accused Mr. Tapie, chairman of the European soccer champions, Olympique Marseille, of borrowing money in Testut's name to buy soccer stars.

The assembly voted, 432 to 72, to lift the immunity of Mr. Tapie, a favorite of President Francois Mitterrand's.

The assembly will soon hear a separate application by another judge to lift Mr. Tapie's immunity over an attempt by Marseille officials to bribe soccer opponents to lose a key league match in May.

Mr. Tapie is denied wrongdoing.

"This assembly is asked to cast the first stone at me," Mr. Tapie said. "And this will allow others to throw bigger, heavier stones, perhaps at me, but perhaps they will also hit some of you."

He did not carry out an earlier threat to expose corruption in politics when he defended himself in the lower house where he serves as a deputy from the Bouches-du-Rhône district of Marseille.

Mr. Mitterrand appointed Mr. Tapie minister of urban affairs in April last year. The self-made millionaire was forced to resign seven weeks later after being indicted for fraud over a business dispute.

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The assembly will soon hear a separate application by another judge to lift Mr. Tapie's immunity over an attempt by Marseille officials to bribe soccer opponents to lose a key league match in May.

Mr. Tapie is denied wrongdoing.

"This assembly is asked to cast the first stone at me," Mr. Tapie said. "And this will allow others to throw bigger, heavier stones, perhaps at me, but perhaps they will also hit some of you."

He did not carry out an earlier threat to expose corruption in politics when he defended himself in the lower house where he serves as a deputy from the Bouches-du-Rhône district of Marseille.

Mr. Mitterrand appointed Mr. Tapie minister of urban affairs in April last year. The self-made millionaire was forced to resign seven weeks later after being indicted for fraud over a business dispute.

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## U.S. Lists 2 Goals for Koreans

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton discussed North Korea's latest proposal on nuclear inspections Tuesday with President Kim Young Sam of South Korea in preparation for a new meeting between American and North Korean diplomats.

The two leaders "agreed on the objectives," according to the White House press secretary, Dee Dee Myers.

She said there were two immediate goals:

- North Korea must agree to inspections of its nuclear power sites by the International Atomic Energy Agency, a United Nations organization.
- The North must also agree to resume talks with South Korea on making the Korean Peninsula free of nuclear weapons.

Mr. Clinton said Monday that he was "not entirely satisfied" with the North's offer to allow only limited inspections of the nuclear installations.

"We want to see if we can achieve our objectives through negotiations," a senior American official added. "This is a serious matter. There is not a lot of time."

At the United Nations, where American and North Korean representatives have been conducting negotiations, an American diplomat said Tuesday that there would be another meeting on the issue in New York in the near future.

At atomic energy agency headquarters in Vienna, a spokesman, David Kyd, said North Korea was offering to permit unrestricted inspection of five of the seven nuclear sites at Yongbyon.

But at the other two sites, which the agency and the United States consider to be the most important, the inspectors could only change batteries and film in monitoring cameras.

(AP, AFP)

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# Don Ameche, a Leading Man In Movie Musicals, Dies at 85

SCOTTSDALE, Arizona — Don Ameche, 85, the versatile movie actor whose career spanned nearly six decades, died Monday of prostate cancer.

Mr. Ameche worked to the end, and in the first week of last month finished his part in "Corrina, Corrina," a movie with Whoopi Goldberg and Ray Liotta. Mr. Ameche plays a man whose son, Liotta, develops a relationship with a black housekeeper in the late 1950s.

"All the way up until the day he died, he'd wake up in the middle of the night and say to me, 'What time do I have to go to work? What time are they picking me up?'" said his son, Don Jr., with whom he lived.

"He just loved it," Mr. Ameche's character dies in the movie.

Already a radio star, Mr. Ameche made a smooth transition to movies, beginning with "Sins of Men" in 1936. During 12 years at 20th Century Fox, he appeared in musicals, comedies and dramas.

When his film career faded in 1948, Mr. Ameche busied himself on Broadway in "Silk Stockings" and "Can Can" and later in touring musicals and dinner theater. His

second film career began in 1983 with "Trading Places," starring Eddie Murphy and Dan Aykroyd.

Two years later, he appeared in the fantasy "Cocoon," in which he played one of a group of Florida retirees who discover a fountain of youth created by extraterrestrials. He won the Oscar as best supporting actor.

Mr. Ameche's enlivened screen contrasted with his personal modesty. When he received an Academy Award at 79 in 1986, he remarked, alluding to the Oscar: "For all you members of the academy, this esteemed gentleman says that you've given me your recognition. You've given me to me your love. I hope that I have earned your respect."

He was born Dominic Felix Amici in Kenosha, Wisconsin, to an Italian immigrant father and an Irish-German mother. His name was shortened to Don, and the spelling of his last name changed.

Mr. Ameche was a star athlete and drama club member at Columbia College in Dubuque, Iowa. He wanted to be a lawyer, but at the University of Wisconsin his passion for acting grew. His future was

set when he replaced the leading man in a local stock company.

Chicago radio was strong in the early 1930s, and he found steady work in such series as "Betty and Bo," "Grand Hotel," and "Mr. First Nighter" on "The Little Theater of Times Square."

He failed a screen test at MGM in 1935.

"I saw it and hated it," he said. "But then I found later that I hated everything I did."

But an agent showed the test to Darryl Zanuck, chief of 20th Century Fox, and he made Mr. Ameche the busiest actor on the lot.

He played the ideal leading man for Loretta Young ("Ramona," "Love Under Fire"), Betty Grable ("Down Argentine Way," "Moon Over Miami") and especially Alice Faye ("In Old Chicago," "Alexander's Ragtime Band," "Hollywood Cavalcade").

Mr. Zanuck cast him as Stephen Foster in "Swanee River" and as the telephone inventor in "The Story of Alexander Graham Bell."

Mr. Ameche also starred opposite Claudette Colbert in the classic comedy "Midnight" in 1939. She played a penniless American girl in



Don Ameche made a comeback in the movies in the 1980s.

Paris who is befriended by Mr. Ameche, a taxi driver.

He believed that his Hollywood slide began when he refused a three-year extension on his Fox contract, but he remained active in television and theater until "Trading Places" returned him movies.

His other later films include "Coming to America," "Harry and the Hendersons," and "Oscar."

# HOUPOUET-BOIGNY: Ivory Coast President Since 1960 Dies

Continued from Page 1  
Ivory Coast, he was elected a deputy to the French National Assembly.

He gained a reputation by securing abolition of the single most unpopular feature of colonial rule, a labor law that allowed French planters to conscript workers from any village.

Mr. Houphouet-Boigny allied his party with a new regional movement called the African Democratic Rally, the rally of which he was president, generally voted with the Communists in the French Assembly, but after they went into opposition in the late 1940s, he broke off with them.

By this time, however, he had become feared by the French as a

dangerous African nationalist, and in 1950, after an outbreak of anti-colonial violence in his territory, he was ordered arrested. He managed to slip away minutes before the police arrived at his home and was never imprisoned.

But once independence for Ivory Coast was in sight, Mr. Houphouet-Boigny sought to continue close cooperation with Paris. In 1956, Guy Mollet named him a minister-delegate, the first African in a French cabinet.

Ivory Coast became self-governing within the French community in 1958, and Mr. Houphouet-Boigny became prime minister in 1959 and president of an independent Ivory Coast in 1960. As in

many African countries, he sought to keep all dissent under the umbrella of a single party. He often gave opponents patronage jobs instead of jail sentences. Several half-hearted coup attempts in the early 1960s were easily suppressed.

In international relations, Mr. Houphouet-Boigny often went against the grain in Africa. In the late 1960s he supported the unsuccessful Biafran war of secession from Nigeria. He also occasionally sought dialogue with South Africa in 1973, however, he joined other African nations in breaking off relations with Israel, ties not restored until 1985.

In 1983, he realized a dream when Yamoussoukro, his birthplace and the seat of the traditional chieftaincy of the Banle ethnic group, was designated the country's new capital by the ruling party as "an expression of gratitude from the country to the father of a nation."

But soon afterward, his popularity began to wane. His oft-repeated assertion that "not a single drop of blood has been spilled in my country since I've been president," was conclusively disproved in the late 1980s. Civil unrest increased after a turn for the worse in the country's economic fortunes.

Mr. Houphouet-Boigny was also widely criticized at home and abroad for his decision to build a



Félix Houphouet-Boigny, leader of Ivory Coast since 1960.

\$200 million Roman Catholic basilica, Our Lady of Peace of Yamoussoukro, by some measures the world's largest Christian church. He said it was built with his own money.

At the time of his death, he was the third-longest-serving leader in the world, after Presidents Fidel Castro of Cuba and Kim Il Sung, the North Korean leader.

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José Van Dam, in the title role of Lully's "Roland" at the Théâtre des Champs-Élysées.

# Boston Symphony and Berlioz: Happy Match

By David Stevens  
International Herald Tribune

**P**ARIS — The Boston Symphony is generally considered the most French of American orchestras and its Berlioz credentials are solid, but it was still a bold and imaginative stroke to come to Paris on its current European tour with an all-Berlioz program in large part unfamiliar to even a French audience.

The symphony is the transformation into art of his obsession with the actress Harriet Smithson. "Lélio" is the anecdotal declaration of his recovery and return to the world of music. The first performance of the work was in 1832, was apparently a sensational artistic happening and crucial to Berlioz — launching him as a recognized composer and fatefully uniting him with a year with Miss Smithson in a not very happy marriage.

**P**ARIS has become used to an almost annual Lully fix in the six years since William Christie and Jean-Marie Villéger showed with "Atys" that the composer's lyric tragedies could be made meaningful to contemporary audiences.

At the Opéra Bastille, Offenbach is on hand until Jan. 12 with "Les Brigands" as the year-end entertainment. This was the composer's last big success before the Franco-Prussian War sent Napoleon III down the drain and with it the society that supplied Offenbach with such rich material for mockery.

# Zappa's Talent for Fun

By Mike Zwerin  
International Herald Tribune

**A**T THE AGE of 14, Frank Zappa was living in a "little stinky cowboy town" called El Cajon, near San Diego, playing snare drum in the junior high school orchestra. He was bored, always counting rests, until one day he walked into a record store in neighboring La Mesa and was "bowed over" by a hi-fi demonstration recording — "The Complete Works of Edgard Varèse, Vol. 1," which was "swimming in percussion."

Pierre Boulez conducted the prestigious Ensemble Intercontemporain performing several of his classical compositions, "Naval Aviation in Art?" for one. "I stumbled on an old Life magazine that had paintings done by guys on warships, planes going down and stuff like that," he explained. "It was headed 'Naval Aviation in Art.' Are we supposed to take that seriously or what? I added the question mark."

He taught himself the guitar (and later composition) and formed his first band, the Black-Outs, while in high school in Lancaster, California. "A few of the guys blacked-out drinking peppermint schnapps," he said. "It was the only R&B hand in the entire Mojave desert. There were three blacks, two Mexicans, and Terry Wimberly represented the other oppressed peoples of the earth."

When he made more money than they did and could even call his own shots. He reserved all his rights and financed and managed his own products as much as he could. On the other hand, he went out of his way to be interviewed. He had called me at home the morning he arrived in Paris and picked me up at a club near the Champs-Élysées in a limo that night.

# Rock and Rap: J. Spreads His Word

By Laura Colby  
International Herald Tribune

**P**ARIS — A few years ago, Jens Müller wasn't very different from other East German teenagers. He worked as an apprentice in a state-owned computer-chip factory, described himself as apolitical, and played drums in a rock band in East Berlin. One thing chafed on him: The idea of not being allowed to travel to the West.

J. is hardly nostalgic for the days under Erich Honecker. But his hopes for freedom under a new regime have been dashed. Instead, he sees in German unity some ominous stirrings: the resurgence of rightist elements that had been kept on the fringes of society in Germany since the war, a growing nationalism among the ruling classes, and among those his own age, an alarming increase in the far-right skinheads, fed by growing ranks of the unemployed in the East, who are often easy pickings for such groups.

**J.** who writes music and lyrics, sings, plays guitar, bass, drums and keyboards on his recordings, made his first album last year, produced by the American Jack Rieley, who has worked with the Beach Boys, and Kool and the Gang. Called "We Are the Majors" (Polydor), it boasts songs with titles like "Born on the Wrong Side of Town," "I Came and Promised Liberty" . . . but all they delivered is "poverty" and "The Beast No One Ever Tamed," which compares Germany's rulers to the Gestapo.



Jens Müller, a/k/a J.

# Sutherland's Uneasy Role

By Celia Dugger  
New York Times Service

**N**EW YORK — Donald Sutherland played sinister villains, off-the-wall oddballs and anguished heroes, but rarely in his 63 film performances has he played a character so uncomfortably like himself.

dating to troubles seven years ago with tax authorities that forced him to mortgage his homes. "And when you're 58 years old, you don't want them to have to sell a house when you die," he said. "Which gets back to: 'Are you honest with your work and do you only do the work you want to do? Or do you work for money?' On many levels, I'm a gun for hire."

# BOOKS

## LUTECE: A Day in the Life of America's Greatest Restaurant

By Irene Daria. 230 pages. \$23. Random House.

**A**MERICA'S greatest restaurant? Perhaps so, if you believe that the finest of all "American" restaurants is one that quite unashamedly celebrates and perpetuates the haunts of France; not merely that, but one in which all but a privileged handful of Americans would feel out of place and in which the pocketbooks of most Americans would be strained well past the breaking point.

States for about half his life, beginning with the opening of Lutèce in February 1961. He began as chef, with the promise of being made partner, and became full owner a decade later. He runs the restaurant with the help of his wife, Simone, despite the occasional rocky moment they run it as a family, with remarkably little turnover in personnel and with correspondingly high staff morale.

The disparity seems to have a couple of explanations. One is that Soltner isn't in it for the money; the other is that he pays his staff well and has a generous benefits program. "I am a craftsman," he says. "I don't want to raise my prices. I want to cook, to have customers, to make enough money to pay my staff good and have enough money left for me. But that's it. I don't have the need for so much money." All of which is admirable, though readers do well to bear in mind that the price fix cost of lunch is \$38 and dinner \$60, plus wine (the cheapest goes for about \$30 a bottle) and all those tantalizing little extras, like salads and aperitifs — not to mention tips for the waiter (15 percent) and the captain (5 percent).

Jonathan Yardley is on the staff of The Washington Post.

# BEST-SELLERS

Rank	Title	Author
1	SLOW WALTZ IN CEDAR BEND	Robert James Wall
2	THE BRIDGES OF MADISON COUNTY	Robert James Wall
3	NIGHTMARES & DREAMS	Stephen King
4	WITHOUT REMORSE	Tom Clancy
5	MURDER BY DEAN	Dean Koontz
6	LASHER	Anne Rice
7	THE TRUCK AT BAKURA	John Grisham
8	A DANGEROUS FOR-TUNE	Ken Follet
9	LIKE WATER FOR CHOCOLATE	Laura Esquivel
10	DECIDER	Dick Francis
11	THE CLIENT	John Grisham

Rank	Title	Author
12	THE ROBBER BRIDE	Margaret Atwood
13	SACRED CLOWNS	Tony Hillerman
14	THE GOLDEN MEAN	Robert James Wall
15	THE FIRES OF HEAVEN	Robert Jordan
16	SEE, I TOLD YOU SO	Russell Lindeath
17	PRIVATE PARTS	Howard Stern
18	THE HIDDEN LIFE OF DOGS	Elizabeth Marshall Thomas
19	SEMI-LANGUAGE	Jerry Seinfeld
20	EMBRACED BY THE LIGHT	Betty J. Eadie
21	WOULDN'T TAKE NOTE	Harvey Keitel
22	ING FOR MY JOURNEY	Maya Angelou
23	HAVING OUR SAY	Seneca and Elizabeth Delany
24	THE DOWNING STREET YEARS	Margaret Thatcher
25	A MARRIAGE MADE IN HEAVEN, OR TOO TIRED	Erma Bomber

Rank	Title	Author
26	STAR TREK MEMORIES	William Shatner with Chris Kreski
27	THE BEST CAT EVER	Cleveland Amory
28	WOMEN WHO RUN WITH THE WOLVES	Clare Boothe Luce
29	FURTERS ALONG THE ROAD	Less Travelled
30	LISTENING TO PROZAC	Peter D. Kramer
31	RARE AIR	Michael Jordan
32	ADVICE, HOW-TO AND MISCELLANEOUS	
33	MEN ARE FROM MARS, WOMEN ARE FROM VENUS	John Gray
34	STOP THE INSANITY!	Susan Fowler
35	AND IF YOU FIND GOLF	Harvey Keitel
36	AGELISS BODY, TIMELESS MIND	Despina

For investment information, read every Saturday in the NYT.

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# RUSSIA

## ECONOMIC QUESTIONS RUSSIA MUST ANSWER

The Russian government will begin 1994 with firm commitments to reduce its yawning budget deficit, cut spending and bring inflation under control. Those are the basic tenets of the economic plan it adopted last month, and there have been early signs that it is being followed.

The overriding question, however, is whether the government will have a legislature that permits it to follow through on its fiscal commitments.

Russians go to the polls on Dec. 12 to vote for the country's first-ever

democratically elected legislature. Opinion polls have shown that the government's party, Russia's Choice, is likely to win the most seats in the new State Duma. But some seats are certain to be won by the more centrist Russian Party of Unity and Accord, the rural-based and more conservative Agrarian Party and even, according to recent polls, the Communist Party.



President Boris Yeltsin faces a crucial poll test on Dec. 12.

Even though some opposition is likely, a renewed stalemate over economic policy is improbable. If the new constitution, also to be voted on Dec. 12, is approved, the government and the president will enjoy far broader powers to control spending and the budget than it did with the parliament President Boris Yeltsin disbanded in September.

Indeed, while it was the political standoff that led Mr. Yeltsin to disband the parliament, he made it clear that it was the lawmakers' intractability over the budget, economic policy and privatization that forced him to take the extreme measure.

In the two months since, the gov-

ernment has moved slowly to gain some control over the economy. Inflation, which hit 26 percent per month in September, was scaled back to 20 percent in October and will probably drop to 15 percent in November. Year-end inflation is expected to be around 900 percent.

"This is still not too good," says Finance Minister Boris Fyodorov, "but it is better than last year's figure of 2,600 percent."

Mr. Fyodorov says that the budget deficit should be around 10 percent of gross national product. That was the target Russia was supposed to meet in an agreement made in the spring with the International Monetary Fund for the final half of a \$3 billion stabilization loan.

The country had already received \$1.5 billion after agreeing to a series of tight monetary policy targets, but the second half was withheld after the country began to backslide on reforms.

Hopes are high within Russia that the new economic plan will be accepted by the IMF and that the second \$1.5 billion will be released in January. An additional \$600 million loan from the World Bank also hangs in the balance.

The new plan outlines much the same goals that Russia had last spring. It calls for 5 percent monthly inflation and for spending to be eliminated on as many as 30 programs. The plan envisages a yearly deficit of 3 percent of GNP, half the estimate for 1993.

Whether the government can hit the

Continued on page 13



Russian realities: Magnitogorsk steel works (above), one of the largest in the world, shares the difficulties of all Russian heavy industry. Red Square (above right) is symbolically almost empty, but there are also symbols of hope, as in the Moscow fountain to the Friendship of Peoples (right).



## RUSSIAN ROAD TO BUYING SHARES CAN BE DIFFICULT

Investing in Russia is not a simple matter. It requires caution as well as enterprise.

For instance, Yuganskneftegaz, a huge oil company with reserves in Western Siberia and promising Western partnerships, could have Russian and foreign companies rushing to buy its shares if only it would let them. But in fact it only put 12.05 percent of its shares on auction in November.

While Russia is selling off its massive state industries to the public, majority share packages rarely hit the auction block, and many large enterprises sell off less than 20 percent. The employees of most enterprises have used government compromises on privatization to obtain a controlling interest before auctions start. The government also keeps a temporary holding in prominent industries such

as oil companies and keeps them all but off-limits to foreigners.

Economists and investors are confident, however, that the time is just around the corner when Russia really opens up to foreign capital. Meanwhile, they are putting their money in smaller companies that promise less profits but involve lower risks as well.

Yuganskneftegaz made it difficult for one single outsider to gain a size-

able chunk of the 12.05 percent it was offering by conducting the sale, at exchanges all across Russia, according to its deputy director, Pavel Fyodorov.

The government has banned foreign participation in primary auctions of oil and gas industries.

As the government rarely uses its

Continued on page 11

Alexander Titkin, 45 years old. Was born in Tula. Worked as an engineer, economist and plant director. Studied market economics in Cologne and Geneva. Was rewarded with international prizes in Madrid and Puerto Rico for his activities in industry. In 1991-92 Mr. Titkin was Minister of Industries of Russia.

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# INVESTMENT HELPS REHABILITATE OIL INDUSTRY

The Russian government, with Western backing, has assigned special importance to its energy sector, opening lucrative opportunities for foreign companies to rehabilitate the country's oil infrastructure and develop new reserves.

By any analysis, the industry needs help. Experts predict that crude oil output could fall as low as 300 million tons this year, from 394 million tons in 1992, while Russia's 28 major oil conglomerates have stopped production in

30,000 wells. According to the trade magazine Russian Petroleum Investor, Russian natural-gas giant Gazprom faces a net loss of more than \$2.7 billion this year.

The U.S. Export-Import Bank recently answered Russian calls for foreign assistance by approving \$2 billion in credits for purchases of U.S. oil-drilling equipment and service contracts. In another positive move, the Russian government has speeded up negotiations for a \$10 billion U.S.-Japanese investment

into exploitation of a vast natural gas field off the coast of Sakhalin, a Russian island north of Japan.

Vadim Dormidontov, who manages foreign credit projects at the Russian Project Finance Bank, says he expects the U.S. credit deal to be implemented no later than May 1994, and that more credit agreements with the United States, Japan and Western European nations will follow. The agreement will strengthen American oil service companies' position in the Russian market and will provide much-needed equipment to repair wells, he says.

Future credit agreements will be essential for developing new reserves, says Mr. Dormidontov, because even the wealthiest oil companies cannot afford the risk of funding projects in Russia alone. "New development requires a lot more money than rehabilitation," he says. "The best place to borrow it is from government agencies and multilateral organizations."

Nonetheless, some private Western oil companies — mainly American — are moving ahead in joint ventures with Russian firms. Anatoly Fomin, deputy minister of fuel and energy, says that oil exports by joint ventures will reach 11 million tons this year, compared with 4.5 million tons in 1992. More than 40 joint ventures have been set up in Russia to restore abandoned oil fields, exploit new ones and resolve ecological problems, he says.

Occidental Petroleum Corp. recently announced that its Permafrost joint venture hit a gusher in the far northern Timan-Pinchora basin, and it is seeking investment to develop the field. DuPont subsidiary Conoco has received pledges of \$200 million from world financial organizations to develop a 100-million-barrel field in the same region.

Foreign financial organizations find Russia's energy sector attractive because Russian oil and gas projects can earn the hard currency needed to pay back loans. "The energy sector is a place where investment can be done with minimal risk," says Roger Gale, Moscow director of the International Finance Corporation, an arm of the World Bank. "We feel confident it will be a very viable sector for private investment."

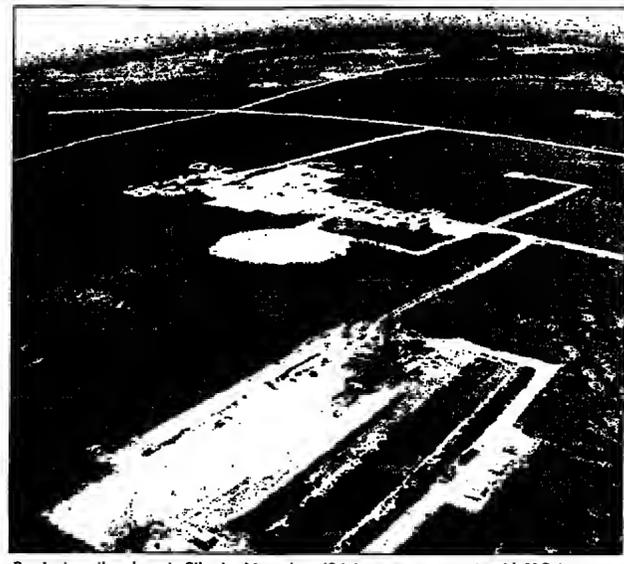
The World Bank has approved \$610 million to restore up to 1,300 wells in Western Siberia, and the European Bank for Reconstruction and Development has approved another \$342 million for further rehabilitation projects. The total investment so far, however, does not come close to what is needed. Prime Minister Viktor Chernomyrdin has estimated that Russia, which contains one-third of the world's hydrocarbon resources, will require about \$65 billion by the year 2000 just to restore the nation's oil production capacity, let alone develop new reserves.

Many Western executives complain that Russia has too many restrictions on foreign firms and too little political consistency to make investment worthwhile. But the government could change that, says Mr. Dormidontov, by granting tax exemptions, increasing oil export allowances, waiving restrictions on hard-currency earnings and clarifying laws on foreign participation in the energy sector.

"The government is really willing to create a favorable environment," he says. President Boris Yeltsin has already removed barriers on domestic fuel prices that had made selling gas and petroleum products in Russia unprofitable.

In any case, Mr. Dormidontov says, foreign involvement in Russia's energy industry has already gone too far to be reversed. "Wherever you go in Siberia," he says, "you will find an American firm."

Mark Whitehouse



Producing oil and gas in Siberia: More than 40 joint ventures (mostly with U.S. investors) are helping to exploit Russia's rich resources.



Off the coast of Sakhalin Island, north of Japan, preparations are made to exploit a vast natural gas reservoir.

# EC AID PROGRAM GROWS IN COMPLEXITY

For some Western entrepreneurs, assisting Russia has proved difficult, and conducting business in the country even more so. But new forms of trade with aid from the EC are helping.

The EC's programs for Central and Eastern Europe have a way of expanding in scope. As its name would suggest, PHARE (Poland Hungary Aid for the Restructuring of Economies) was originally destined for Poland and Hungary. Today, it has grown into a full-fledged assistance program for the entire region, apart from the Soviet Union's successor states.

That is where TACIS (Technical Assistance to the Commonwealth of Independent States) comes in. The program's initial concept was for small-scale teams of expert consultants to provide expertise to individual development projects undertaken by the CIS's local and regional public authorities.

Three years and more than 1.3 billion Ecus later, TACIS is an essential element in Russia's development efforts. After evaluating the safety of the country's nuclear reactors, experts commissioned by TACIS are now about to implement improvements in power-plant operating systems. TACIS funds have been used to fund law-formulation sessions and the establishment of entire vocational training systems.

According to Anton Rinders, staff expert on CIS finances and assistance at Düsseldorf's EC information office, this growth has been partially unplanned. "TACIS experts were supposed to arrive in Russia and help solve a series of discrete, highly specific problems. Upon arrival, they found out that their first job was to determine the nature and extent of the problems themselves," explains Mr. Rinders.

And that, according to Russia experts, is a highly complex, lengthy process. Nonstandard responsibilities for Russia-based EC development experts include the securing and compilation of basic data and canvassing for local support.

Abel Matutes, head of the EC Commission's directorate of energy and

transport, says that EC experts have been successful in making an approach based on nonstandardized solutions work. He gives the EC's individual program staff high marks for their ability to come up with coherent courses of action in confusing situations.

This supply of resourcefulness and of outside financial and market re-

sources is also a requisite for Western companies active in Russia, according to Hans Schreiber, director of Metallgesellschaft AG. The Frankfurt-based company has been one of Russia's major trading partners for more than nine decades. It currently transacts business worth 1 billion Deutsche marks a year with the CIS. Metallgesellschaft's plant and mechanical engineering subsidiary, Lurgi AG, has built over 300 industrial and energy-generating facilities in the CIS countries.

Mr. Schreiber says many capital expenditure projects depend on funds from such EC financial institutions as the European Bank for Reconstruction and Development, which has authorized credits for three energy plants and an oil extraction project in Russia during the first nine months of 1993. They also depend on a large supply of resourcefulness: Germany's authoritative Ost Wirtschaftsreport biweekly has assembled a forbidding checklist of 12 problem areas facing investors setting up businesses in Russia. A sample: "Prepare yourself to contend with conflicts and rivalries as to which organizations are to supervise your project."

For companies, this resourcefulness is indispensable when arranging payment. According to Ost Wirtschaftsreport, fully 50 percent of the West's \$5 billion in exports to Russia in the first half of 1993 was financed by "counter-trade." This term describes barter and other tied trade agreements.

"Counter-trade does not suffice to describe the scope and complexity of current payment arrangements in Russia," says Ludolf Plass, member of

the board of management of Lurgi Energie und Umwelt GmbH, which supplies technologies and equipment to Russia. As he explains, in addition to procuring start-up finance, Lurgi's side of the deal may involve the delivery of equipment needed by its Russian partner for its production facilities. To secure its payment, Lurgi may also have to organize the transport and marketing of its Russian partner's products, and the settling of related financial transactions.

In view of the costs in personnel time and corporate resources arising from this complexity, are such deals worth a company's while? "For companies with well-developed trading outreaches and large portfolios of applicable technologies, my answer would be a qualified yes," says Mr. Plass. He adds: "It's not a high-profit, high-volume, immediate return type of business. Patience

and a feeling for long-term opportunity are required."

The long-term opportunity is definitely there. For Western exporters, Russia's \$385 billion need for environmental protection facilities over the next eight years is undoubtedly of pertinent interest. On the other side of the coin, according to one expert's report, Russia has "an irreplaceable trove of natural resources" to offer world markets.

Equally appealing to these markets, according to Mr. Schreiber, are Russia's scientific breakthroughs.

Mr. Plass agrees. "We are currently assisting a number of Russian partners in marketing innovations in such fields as material treatment and space technologies," he says. "By any standards, they have world-class technologies. The trick is to turn these technologies into commercial, marketable products."

Terry Swartzberg

# FREEDOM CAN BE HARD FOR FACTORIES

This is a testing time for Russian industry. But among the stories of disasters, there are also stories of successful adaptation.

For instance, when the engine production line of a huge truck factory in Tatarstan was ravaged by a fire in April, many thought the plant was a write-off, rendering 170,000 workers jobless and leaving 230,000 trucks without an engine.

Only four months later, however, foreign investors competed fiercely for the job of helping the KamAZ plant build a new production line for 50,000 engines a year.

After many decades of state planning, many Russian factories were left at a loss when subsidies were slashed and government orders stopped coming. Russia's heavy industry in particular has found it has little to offer a fledgling market economy.

Some other industries, however, have launched promising new products and have attracted foreign investors to help pay for the upgrading of equipment. In the huge defense sector, aerospace industries make up for a drop in state orders by selling abroad, while others find that conversion can help them tap new markets.

Joint production, combining Western and Russian technological strengths with cheap labor and a promising market, are the

most popular form of foreign investment.

KamAZ picked U.S. engine-maker Cummins Diesel for a new joint venture that will produce 50,000 truck engines a year. Mercedes-Benz, Caterpillar and Detroit Diesel bid for the project as well but lost out to Cummins' offer to invest \$300 million and supply engines until the new production line gets rolling.

Cummins will help KamAZ modernize its trucks and launch a new, heavier model that meets European standards and should boost the company's export revenues, according to KamAZ General Director Nikolai Bekh.

The aerospace industry, the pride of Soviet military might, has proven one of the most attractive investment opportunities to foreign investors.

Pratt & Whitney joined up with aircraft engine producer Klimov Corp. in St. Petersburg to make gas turbine engines for civil aircraft, hoping to combine top-rate Russian fuselages with Western engine technology.

Klimov has the monopoly in this market, says Alexander Sarkisov, general director of Klimov.

Pratt & Whitney also supplies engines for the new wide-bodied Airbus of aircraft giant Ilyushin and hopes to start producing them locally with Perm Motors.



In St. Petersburg, a factory that once produced missiles now turns out refrigerators and vacuum cleaners.

With 40 percent of heavy industry and 10 percent of the work force dedicated to defense, conversion can be a promising business.

Baxter Healthcare Corp. started a joint production line of surgical clamps in a plant that used to make missile-guidance systems. The venture will employ only a fraction of the 6,000 workers who used to work in the factory, but for Yevgeny Yegorov, deputy general director of the joint venture, the project means that at least 150 families will have a guaranteed source of income.

Others also find they can use the strength of their military technology in civilian production lines. In a joint venture with Asea Brown Boveri, Saturn fac-

tory found that it can make gas turbines for electric power plants just as well as the turbines it used to make for military jets.

Despite the economic crisis, quite a few Russian factories have been able to cash in on liberalization of exports and are buying up Western equipment rather than waiting for foreign investors.

The German metallurgy equipment producer Mannesmann AG, for instance, signed a \$46 million contract with the Chelyabinsk tube plant in Siberia to supply the new tube mills for the plant. The mills replace equipment that Mannesmann sold to the Soviet Union in 1932.

Mikhail Dubik & Sander Thoenes

# DIFFICULT ROAD TO BUYING SHARES

Continued from page 10

shares to influence management. Yuganskneftegaz workers have gained de facto control of their company, according to Boris Bakal, consultant to the International Finance Corporation, which assists the privatization campaign.

That could be bad news for potential investors and for the company as well.

"Giving the majority share to the employees does not promote more efficient enterprise," Mr. Bakal says, as workers block necessary cost-cutting measures that could threaten their jobs.

Mr. Fyodorov says that his company is unwilling to grant control to outside investors not only because they might fire employees but also because they might slash the company's contribution to social services.

To the oil town of Nefteyugansk, the company supports hospitals and schools that the govern-

ment has yet to fund. Another reason for Mr. Fyodorov's distaste for outside investors is that the initial privatization auctions do not give the company any cash.

Shares can only be exchanged for privatization vouchers, which the government distributed free of charge to all 150 million Russian citizens last year. Many citizens have sold their vouchers to investment funds, which are eager to gain control of promising enterprises such as Yuganskneftegaz.

According to Jane Dietze, in charge of small-scale privatization for the International Finance Corporation in Moscow, potential investors will have to wait until shares become available on secondary markets, probably at much higher prices.

Meanwhile, investment companies such as TIROSS are putting their money in smaller enterprises that are less hostile to outside

investment. Alexander Titkin, president of TIROSS, says that he has opted to spread the risks by buying small share packages in a wide range of companies.

As long as there are no safeguards or state guarantees on investment in Russia, he says, "it is better to take lower profits on lower risks."

Food processing firms and oil refineries are among the most promising investments, according to Mr. Titkin, because they make goods that will always be in demand. TIROSS not only invests money but also offers to deliver Western equipment in return for shares.

In some cases, worker ownership appears to work quite well. Since it was privatized last summer, the TsUM general department store in downtown Moscow changes face almost daily, with new sections and impressive window displays opening up to promote upscale Western

clothing, perfume and electronics.

Like the workers at Yuganskneftegaz, the 3,000 employees of this famous store obtained a majority share in their company. Only 29 percent of shares in the store were sold to the public, with TsUM staff bidding actively against investment companies.

The largest outside investor, a Moscow-based investment fund, managed to get only 4 percent of shares.

Unlike most other firms, however, TsUM can get financing for badly needed repairs without losing control of the company: It leases parts of the store to small foreign and Russian shops eager to tap into the booming Russian consumer market.

"All outside influence is detrimental to the store," says General Director Anatoly Metyolkin. "We run the shop."

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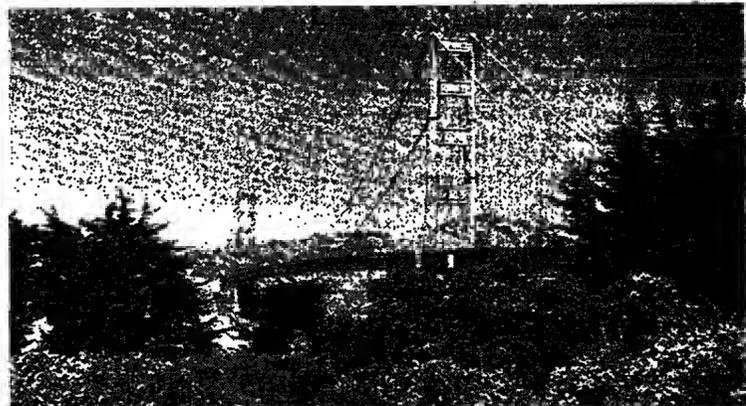
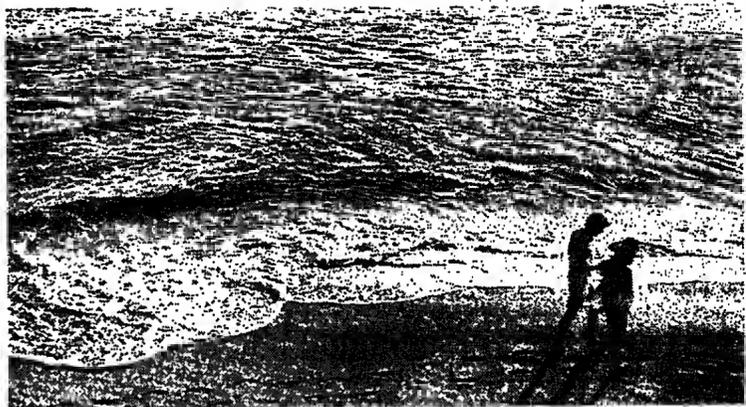
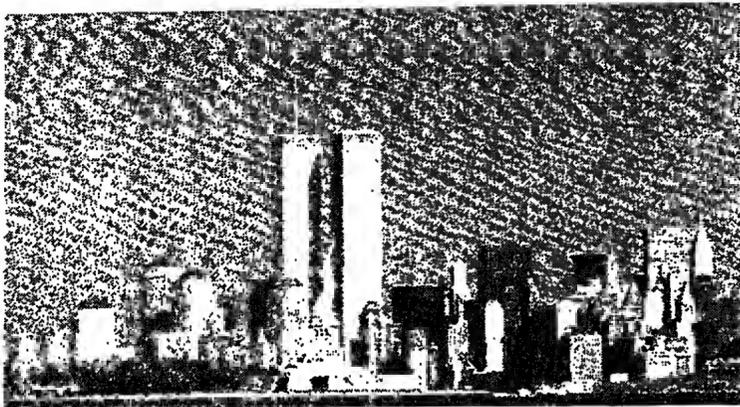
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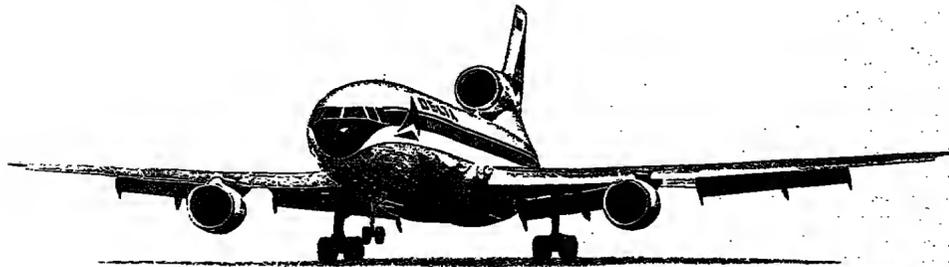
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ADVERTISING SECTION

# FARMERS IN FRONT LINE OF REFORM

President Boris Yeltsin boosted agricultural reforms this autumn when he passed a decree introducing private land ownership to Russia, but the transformation of the inefficient state farms to productive private farming will take more than just a decree.

The government's ambitious attempt to revive agricultural production, key to economic reforms and political stability in Russia, has so far given enterprising farmers little help in going it alone, but farmers say it does remove many of the obstacles to private farming.

With a stroke of the pen in October, Mr. Yeltsin gave the country's 20 million farmers the chance to break free of the Soviet-era collective farm system and own the land they have worked for years.

Vladimir Bashmachnikov, president of the association of private farmers, says that the decree's major benefit was in enabling farmers to get loans through mortgages and enlarge their farms. And the decree was only the most striking of a series of reforms to the agriculture sector.

The government has also dropped subsidies on grain prices, stopped subsidizing agricultural loan repayments and announced it will end forced state grain purchases by the end of the year.

The ending of subsidies to millers has forced up the price of bread. In Moscow shops, it has nearly doubled since September to 250 rubles (\$0.21) per loaf, and bread and grain analyst Arkady Gurevich predicts that the price will go up to 300 rubles by the end of the year.

On the other hand, the loosening of state control on grain production will



Harvesting hay: 20 million Russian farmers face the challenge of reform.

boost the private agricultural and food distribution businesses, says Arkady Zlochevsky, chief executive of Russia's biggest private grain trading company, OGO.

Mr. Zlochevsky says that his company nearly tripled monthly sales, to about \$8 million. While the state remains Russia's biggest grain purchaser, controlling about 75 percent of the market, Mr. Zlochevsky predicts that the inefficient state system will soon collapse, allowing private traders to expand.

The reforms have a long way to go. The 26,700 state and collective farms in Russia still account for over 90 percent of all agricultural land, while 184,000 private family farms occupy only 3.9 percent, according to a recent World Bank study.

Farmers who do manage to set up on their own sometimes find their access to the market blocked by monopolistic distribution and processing industries, which set prices and prefer to do business with old allies in the state farms. The government is planning to give credits to new private produce auctions, but it can do little to break up the monopolies.

One of the first experimental farm privatization projects, involving six former state farms in the Nizhny Nov-

gorod region, has had only limited success.

Under this pilot project, expected to be the model of agricultural privatization for the entire country, farmers receive entitlement certificates that can make them owners of part of the land and property of the collective farm. They can use these certificates to bid for sections of the farm at special auctions or sell them to colleagues.

At the first such auction in November, the Pravidinskaya farm in Nizhny Novgorod was divided into nine smaller business units.

Many farmers were skeptical about the project. "Who can prove that they won't take our land away from us next month, just like they did in the past," was the comment of a tractor driver at the Niva farm near Nizhny Novgorod.

State farm directors have defended attempts to keep their collectives intact by arguing that, after years of total state control over agriculture, farmers have lost interest in the fruits of their labor and would not succeed on their own. The director of the Niva farm, Mr. Mikheyev, is more optimistic. "Our people have forgotten how to think," he says, "but I am sure that they will recover step by step."

M.D.

# TOURISM: UNEXPECTED ADVENTURES

The end of Soviet-era travel restrictions in Russia has opened new opportunities for both visitors and the Russian tourism industry.

The state monopoly Intourist, once the obligatory host to all foreign guests, now faces competition from a number of foreign and private Russian travel agencies and Western hotel chains. Western airlines land daily in both Moscow and St. Petersburg and offer an alternative to the sometimes alarming Aeroflot flights.

Dean Brest, spokesman for Delta Air Lines, says, "Moscow is a good market for Delta because of its high yield. We are also very optimistic about the long-term prospects of Moscow and the emerging economies of Eastern Europe." Delta has a year-round service to Moscow and a seasonal service to St. Petersburg.

New travel destinations and options are attracting new kinds of tourists, whose interests go beyond Lenin's Tomb and the Kremlin. "As of 1993, there has been a resumption of inter-



The onion towers of a church in Kargopol, one of many interesting tourist sites outside the main cities of Russia.

## Western airlines challenge Aeroflot

est in Russia," says Igor Grymov, managing director of Apex Travel in Moscow. "We have three times as many customers."

Members of the American Society of Travel Agents gave rave reviews to recent improvements in Moscow's tourist industry. "Everything was wonderful," says David Love, chairman of a group of 44 agents who made an inspection tour earlier this year. "Our guides were wonderful, and the food was great." The only major complaint among the visiting travel agents was that hotel rates were too high for the service offered.

Bustling Moscow and historic St. Petersburg remain the most popular destinations, with day trips to ancient monasteries and magnificent palaces. But more and more Russian and foreign travel agencies are catering to adventurers: They invite them to take a helicopter tour over Lake Baikal, get on a whitewater raft in Siberia or explore volcanic wilderness on the Far Eastern peninsula of Kamchatka. With U.S. hotel chain Radisson opening a lush hotel in the Black Sea resort of Sochi, self-indulgent beach holidays will soon be an option in Russia as well.

Even Intourist is cashing in on the new trend, according to Vladimir Braginsky, assistant to the company's president. "Before, we turned down any request that did not strictly con-

form to our set itineraries," he says. "But now we're letting people know that we can take any special request." Reindeer safaris to Arkhangelsk and tours of the North Pole are now just a matter of money and time.

For longer trips, Moscow travel agencies provide connecting flights to the neighboring republics. The Crimea peninsula is popular for bicycling trips and offers a majestic beach resort, once reserved for top Communist Party officials, near Yalta. Ancient Muslim temples dot the landscape in Uzbekistan, splendid mountain ranges cross Kyrgyzstan, and the Baltics offer the history and charm of Central European towns.

Those worried by newspaper reports of rising crime rates should remember that Russia is only catching up with the West, not overtaking it. "Moscow is a big city, like New York or London, where you have to be careful," says Ronald Gebhardt, manager of the Dutch travel agency Perestroika Reizen. "In New York,

you are not going to take a night walk through Central Park, and the same holds true for Gorky Park."

While unofficial cab drivers crowd the streets of Moscow and St. Petersburg to offer a ride anywhere in a matter of minutes, tourists should trust only licensed yellow cabs and the excellent public-transport system. In earlier years, tourists could cut their expenses by changing dollars on a bustling black market; these days, travelers can avoid the risks of fake bank notes and armed robberies by using licensed banks, which often offer better rates than street traders.

October's violent siege of the parliament building in Moscow did little to boost tourism, but James Kober, vice president of the American Express travel agency in Moscow, says that visitors to Russia have always had a sense of adventure. In one hotel near the fighting, for instance, some tourists refused to be evacuated because they were enjoying the spectacle. S.T.

# BANKS HAVE VITAL ROLE IN EXPANSION

No sector has experienced greater growth in the new Russia than the banking, financial and security industries. These were, after all, the major industries that did not exist during the Soviet Union.

From one state bank during the Soviet era, the Russian banking industry has exploded to over 1,800 institutions in the five years since it was liberalized. Stock exchanges, currency exchanges, commodity markets and a lively trade in privatization vouchers have also begun to play a role in the emerging market economy.

Their impact so far has been limited because of Russia's uneven transition. The country is suffering from the vagaries of an economy that is no longer centrally planned yet not quite free. High inflation, deficient property and securities laws and, most of all, a lack of knowledge have kept these new markets from having the impact they do in the West.

Still, their very existence is a sharp contrast from even two years ago. Currency conversion, once rigidly controlled by the state, is now handled at several foreign exchanges that have sprung up in the country and at thousands of bank-owned and independent money-changing booths, sometimes holed up beneath a stairwell.

At the country's leading exchange, the Moscow Interbank Currency Exchange, an estimated \$55 million is traded during five sessions per week. The exchange, which only opened in July 1992, also trades Deutsche marks and is working on

plans to trade the new currencies of the other nations of the former Soviet Union.

The government also began to sell three-month treasury bills for the first time, using them to fund the government deficit instead of printing rubles. The government plans its biggest issue ever in December, which officials say could be as much as 90 billion rubles (\$73 million), and the government might begin selling six-month bills as well. A secondary market is allowed to trade the bills three times a week.

The government has also issued 1 billion rubles worth of gold-backed bonds, for which a secondary market is developing.

Most important, the foundation for an equity market was created when the government issued privatization vouchers to every Russian citizen as part of the largest state sell-off in human history. A lively trade has developed in vouchers at a series of stock exchanges in Moscow, St. Petersburg, Ekaterinburg, Vladivostok and elsewhere in the country.

Limited stock and commodities markets have developed at these exchanges, offering everything from ruble futures to new airplanes.

The banks themselves have played only a small role in financing new businesses. With new banking laws passed in 1988, every large state institution, academy or enterprise opened its own branch. Of the 1,800 banks, most are small and not well capitalized. But even the largest ones have been reluctant to lend, given the uncertainty of property laws and the

high inflation rate. The largest bank, International Moscow Bank, has assets of more than \$3 billion but made loans of only \$55.44 million in 1992. The track record for IMB, 60 percent owned by five foreign institutions, is similar to the other big Russian banks.

Despite their low lending ratios, many of these banks have been highly profitable. Dialog Bank, which is half foreign-owned, expects to earn \$8 million this year on assets of \$150 million.

The banks have made their profits largely through foreign exchange, taking rubles and turning them into dollars and investing them overseas. They also charge high fees to customers for currency conversions and wire transfers.

Hoping to cash in on the lucrative market, a dozen foreign banks sought and have been granted operating licenses. But Russian banks, fearful of the competition and hoping to protect their turf, strongly objected, and President Boris Yeltsin recently signed a decree limiting most of these to serving only foreign clients.

The banking sector, still antiquated by Western standards, would arguably develop faster with foreign banks active and operating. Next year should see dramatic improvements, particularly if inflation can be controlled. The World Bank, the European Bank for Reconstruction and Development, the European Community and other international organizations have all allocated substantial sums to help overhaul the financial industry. S.L.

# QUESTIONS RUSSIA MUST ANSWER

Continued from page 10

targets or not remains to be seen. Mr. Fyodorov acknowledged in a recent press conference that a much-touted July presidential spending freeze was largely ignored.

Already, public pressure is growing after the government stopped granting subsidized credits to industry. The energy and agricultural sectors have been among the hardest hit, and there is fear that limited strikes at gas fields and coal mines in November could grow if the government continues to keep a tight hold on the purse strings.

In November, unemployment edged up to just over 1 percent of the work force, to 728,400, the first increase in five months. The Federal Labor Service blamed the increase on the strict credit policy and said the actual number of jobless was much higher - probably closer to 5 million.

The debate on unemployment will be at the top of the agenda as this year draws to a close. Conservatives argue for slower reforms and for greater protection of the work force, while reformers say that unemployment is necessary so that workers will move into productive areas.

One of those areas is trade, which has experienced a comeback in the past year. The government's 1994 economic plan calls for reducing the state's share of exports by 300 percent, cutting export taxes by 50 percent and dismantling the export quota system, which limits the amount of some raw materials and other products that can be sent abroad.

The quotas act as hidden price subsidies by guaranteeing that certain products, such as fuel and metals, are sold within the domestic market at the lower domestic price.

Russia's smooth transition to a market economy depends on the answers to two questions:

The first is whether inflation can be brought under control and the country's currency stabilized. The ruble had remained around 1,100 to the dollar since the summer but lately has been creeping up above the 1,200 level as inflation takes its toll.

The second question is whether the new parliament and the government will provide a stable legal, tax and political environment under which new businesses can thrive, international financial agencies can feel comfortable making loans and foreigners can invest

comfortably. Russia needs an estimated \$30 billion to \$50 billion annually in foreign investment, but because of the vagueness of the country's laws and its political instability, it attracted only about \$1.5 billion in 1992.

Steve Liesman

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| Refuse-fired cogeneration plant (Nordweststadt).                               | Heating systems for domestic households.                          |
| Frankfurt-West cogeneration plant (Gutleuterviertel).                          | Tunnel construction.  |
| Biological waste water treatment plant (Niederrad).                            | Reprocessing of residues.   |
| Biological waste water treatment with sewage sludge incineration (Sindlingen). | Site remediation - cleanup of contaminated soils and groundwater. |

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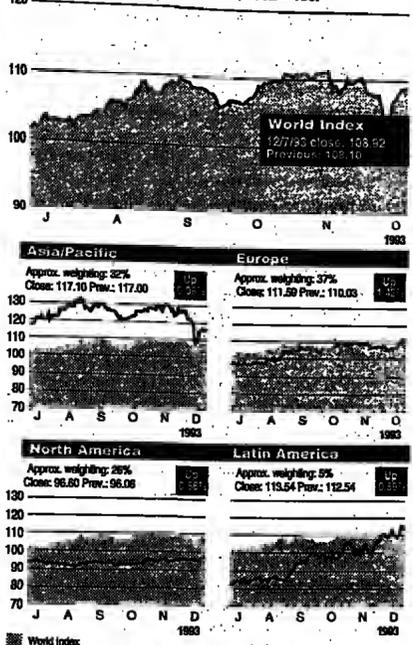


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THE TRIB INDEX: 108.92
International Herald Tribune World Stock Index of 289 internationally investible stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar value of stocks in Tokyo, New York, London, and other major financial centers.

Table with 4 columns: Sector, YTD, Pct. Chg., Pct. Chg. 1993, Pct. Chg. 1992. Rows include Energy, Utilities, France, Services, Industrial Sectors.

Bonn Sets Pact With Paris on Telecoms

By Erik Ipsen
LONDON — Lloyd's of London attempted to dig itself out of its vast legal hole on Tuesday by unveiling a settlement that would give its members £900 million in return for agreeing to drop claims totaling £3.2 billion against the insurance market.

Lloyd's Settlement Offer £900 Million Offered to End Claims

By Erik Ipsen
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RJR to Slash 6,000 Jobs To Boost Profit

NEW YORK — RJR Nabisco Holdings Corp. said Tuesday it planned to cut 6,000 jobs, or nearly 10 percent of its total of 63,000 worldwide, in a restructuring to streamline operations and improve profit.

Deutsche's Provisions Surge

FRANKFURT — Deutsche Bank AG, Germany's largest bank, said Monday that it set aside a record 2.46 billion Deutsche marks (\$1.44 billion) in risk provisions during the first ten months of 1993.

Cox Cable Unit Plans Venture With Bell Firm

SAN ANTONIO, Texas — Southwestern Bell Corp. and the Cox Cable Communications unit of Cox Enterprises Inc. on Tuesday announced a \$4.9 billion partnership to jointly own and operate 21 Cox cable systems and upgrade the cable networks to offer new services.

MEDIA MARKETS

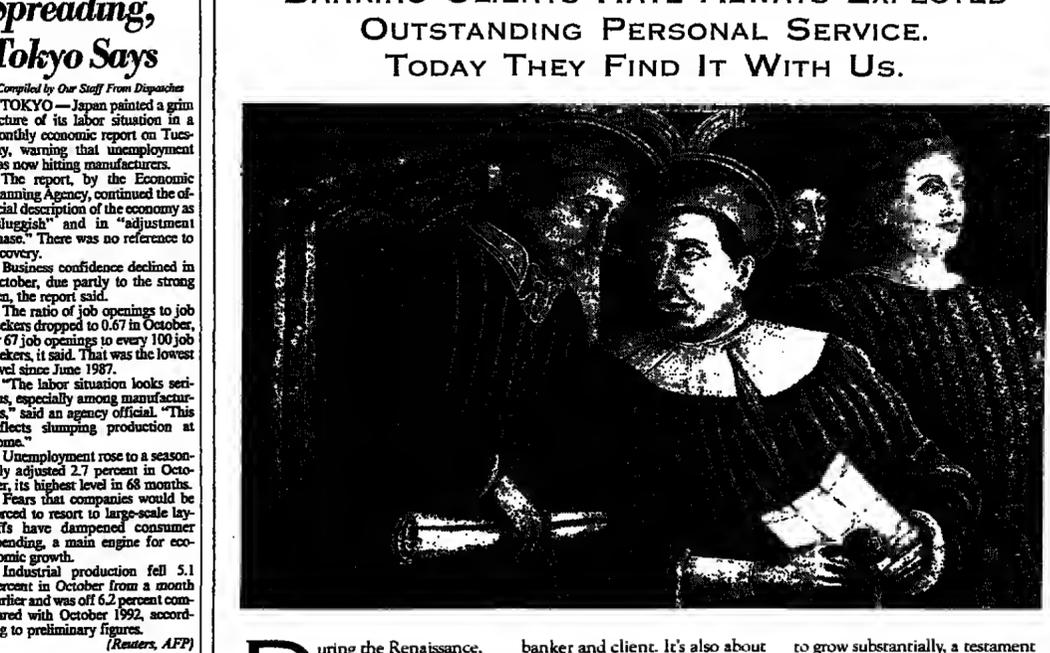
Transforming Times Mirror

By William Glaberson
NEW YORK — Management changes announced last week at Times Mirror Co. in Los Angeles accelerated an evolution that is changing one of the largest family-dominated media empires in the United States.

Job Losses Spreading, Tokyo Says

TOKYO — Japan painted a grim picture of its labor situation in a monthly economic report on Tuesday, warning that unemployment was now hitting manufacturers.

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CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Forward Rates. Includes various financial data points and interest rates.

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MARKET DIARY

Dow Hits Record But Market Is Quiet

Compiled by Our Staff From Dispatches
NEW YORK — The Dow Jones industrial average jumped to a record on Tuesday, but broader measures of the market posted only meager gains.

The Dow barometer advanced 8.67 points to a record 3,718.88, improving on its Nov. 16 close of 3,710.77.

But broader stock indexes lagged, and market breadth —

N.Y. Stocks
evenly divided between advancing and declining New York Stock Exchange issues for much of the day — was not impressive, analysis said.

Neither was trading volume, which totaled about 277 million shares, down from 292 million.

The Standard & Poor's 500 Index added 0.33, to 466.76, while the Nasdaq Composite declined 1.74, to 769.55, after falling 1.13 Monday.

The Amex Market Value Index inched up 1.58, to 467.40.

"I think people are upbeat about the economy," said Richard Meyer, head of institutional trading at Ladenburg, Thalmann & Co. At the same time, he said, interest rates have moved up, giving investors cause for concern.

A loss in bond prices Tuesday spurred sentiment in the stock market. The yield on the benchmark 30-year U.S. Treasury issue was 6.2 percent, up from 6.17 percent on Monday.

Weak Inflation Outlook Undermines the Dollar

Compiled by Our Staff From Dispatches
NEW YORK — The dollar closed little changed on Tuesday, but dealers were downbeat on the currency's prospects.

There was speculation that reports on inflation scheduled to appear later this week would not give the Federal Reserve Board an in-

conclusive picture, which would be beneficial for the dollar. The U.S. unit finished the day at 1.7033 Deutsche marks, up slightly from 1.7014 DM, but it fell against the yen, slipping to 107.48 from 107.95 as Japanese exporters sold dollars for yen to repatriate profits.

"As long as inflation is low and growth is slow, the Federal Reserve won't raise rates," said Koichi Tanaka, assistant vice president at the Industrial Bank of Japan.

"Therefore, there's not much reason to buy dollars," said David Mullins, the Fed vice chairman. "It seems quiet out there."

Concern that German money supply is still growing too fast to warrant a cut in German interest rates also kept the dollar under pressure, traders said. The Bundesbank said that the country's money supply grew 6.9 percent in October, up from an earlier estimate of 6.8 percent.

A dealer at Barclays, John Nelson, said the market was dominated by trading for the past couple of days as investors liquidated dollar holdings and put the unit under considerable pressure.

Dealers said there appeared to be buying support for the dollar just below 1.70 Deutsche marks, but that this could be tested in the near-term.

"The dollar's performance has already been quite lackluster," said Angus Armstrong, senior economist at Morgan Grenfell in London.

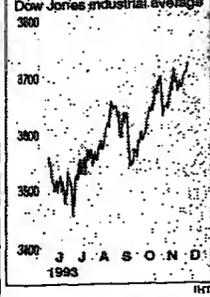
Against other currencies, the dollar eased to close at 1.4600 Swiss francs, down from 1.4612 francs, but it rose to 5.3610 French francs, up from 5.3415 francs. The pound closed at \$1.4930, down from \$1.5047.

(Bloomberg, APX, Reuters)

See Associated Press Dec. 7

The Dow

Daily closings of the Dow Jones industrial average



3800  
3700  
3600  
3500  
3400  
3300  
3200  
3100  
3000  
J J A S O N D  
1993

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Dow Jones Averages

Table with columns: Index, High, Low, Close, Change. Includes Standard & Poor's 500, NYSE Composite, Amex Market Value, etc.

NYSE Most Active

Table with columns: Vol., High, Low, Last, Chg. Lists top trading stocks like IBM, Microsoft, etc.

AMEX Most Active

Table with columns: Vol., High, Low, Last, Chg. Lists top trading stocks on the Amex exchange.

NYSE Diary

Table with columns: Adv., Decl., Unch., Total, Net. Shows daily market activity statistics.

Amex Diary

Table with columns: Adv., Decl., Unch., Total, Net. Shows daily market activity statistics for Amex.

NASDAQ Diary

Table with columns: Adv., Decl., Unch., Total, Net. Shows daily market activity statistics for NASDAQ.

Foreign Exchange

Table with columns: Currency, Close, Prev. Shows exchange rates for various currencies.

Dow Jones Averages

Table with columns: Index, High, Low, Close, Chg. Includes S&P 500, NYSE Comp., etc.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Close, Chg. Lists various S&P industry and sector indexes.

NYSE Indexes

Table with columns: Index, High, Low, Close, Chg. Lists various NYSE industry and sector indexes.

NASDAQ Indexes

Table with columns: Index, High, Low, Close, Chg. Lists various NASDAQ industry and sector indexes.

AMEX Stock Index

Table with columns: Index, High, Low, Close, Chg. Shows the Amex stock index performance.

Dow Jones Bond Averages

Table with columns: Index, High, Low, Close, Chg. Lists various bond averages.

Market Sales

Table with columns: Index, High, Low, Close, Chg. Shows market sales for various indices.

N.Y.S.E. Odd-Lot Trading

Table with columns: Buy, Sell, Short. Shows odd-lot trading statistics.

S&P 100 Index Options

Table with columns: Call, Put, Total. Shows S&P 100 index options trading.

NASDAQ Diary

Table with columns: Adv., Decl., Unch., Total, Net. Shows daily market activity statistics for NASDAQ.

EUROPEAN FUTURES

See Associated Press Dec. 7

Food

Table with columns: Commodity, High, Low, Prev., Close. Lists food futures prices.

Metals

Table with columns: Commodity, High, Low, Prev., Close. Lists metal futures prices.

Stocks

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Commodity

Table with columns: Commodity, High, Low, Prev., Close. Lists various commodity futures prices.

Financial

Table with columns: Commodity, High, Low, Prev., Close. Lists financial futures prices.

Accord Reached to End Coal Strike

WASHINGTON (Combined Dispatches) — The United Mine Workers of America and the nation's largest coal producers have reached a tentative contract agreement to end a seven-month strike by more than 150,000 miners in seven states.

A spokesman for the Bituminous Coal Operators Association said the agreement was reached with the help of a federal mediator. No details were provided on the terms of the accord.

The national agreement on a five-year contract would cover up to 60,000 miners, officials said. If approved in a vote on Dec. 14, it would end walkouts at mines owned by Peabody Holding Co., Consol Inc., Arch Mineral Corp., Ziegler Coal Holding Co., Ashland Coal Inc. and Rochester & Pittsburgh Coal. (UPI, Bloomberg)

Strike Costs American \$160 Million

DALLAS (AP) — The strike by American Airlines' flight attendants reduced profits by at least \$160 million and cost the carrier 1.3 million passengers over the five days of the walkout, the airline said Tuesday.

The company repeated its earlier forecast that the strike would contribute to a loss for the final quarter of the year as well as for all of 1993.

Purchasing Managers Are Upbeat

NEW YORK (Combined Dispatches) — The National Association of Purchasing Management said Tuesday it expected business to improve next year in the United States without generating a surge in inflation.

In its semiannual economic forecast, the association said manufacturing revenue probably would increase 4.7 percent in 1994, unadjusted for inflation, while inflation would rise a "modest" 2.1 percent. It also said that Christmas sales this year would be the brightest in 70 years.

Still, 40 percent of those participating in the association's survey predicted that manufacturing employment would decline in 1994, while only 23 percent expected it to increase. (Bloomberg, Knight-Ridder)

Heinz Profit Up 25% in 2d Quarter

PITTSBURGH (AP) — H.J. Heinz Co. said Tuesday that its profit rose 25 percent in its second financial quarter due to the sale of two businesses, an Italian candy unit and a Near East specialty rice business, which boosted income by \$62 million.

Excluding proceeds of the sales, profit fell 15 percent in the quarter ended Oct. 27 due to a stronger U.S. dollar, higher marketing expenses and a higher tax rate. Net income was computed at \$193.1 million, up 25.3 percent from a year ago.

For the Record

Katy Industries Inc. has until Thursday to accept or reject a \$28-a-share takeover offer from Pensler Capital Corp. and Steinhardt Enterprise Inc., they said, after a Monday deadline passed without response. (Bloomberg)

Deere & Co. reported a 25-fold rise in fourth-quarter earnings, buoyed by higher retail demand in its North American operations. Profit from operations was \$103.5 million, up from \$4.2 million last year. (Bloomberg)

Upjohn Co. named John Zabriske, a 54-year-old Merck & Co. executive, as its chairman and chief executive officer. Upjohn has lacked a chief executive since the death of Theodore Cooper in April 1993. (Bloomberg)

St. Jude Medical Co., the world's leading heart-valve manufacturer, said it would buy Electromedics for \$90 million in cash and stock. (Bloomberg)

WORLD STOCK MARKETS

See Associated Press Dec. 7

Amsterdam

Table with columns: Index, High, Low, Close, Chg. Lists Amsterdam stock market data.

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Daimler Unit Weighs Foreign Plane Output

MUNICH — Daimler-Benz AG's Deutsche Aerospace AG subsidiary is considering making regional turboprop planes in China and Mexico because of high costs and insufficient government support at home.

An American Wrangle in Georgia U.S. Firm and Republic Battle Over Phone Contract

By Barry Meier and Raymond Bonner New York Times Service NEW YORK — Three years ago, a fledgling New York-based company persuaded officials in the Soviet republic of Georgia to give it an exclusive 25-year contract to erect an elaborate international telephone system to connect it to the world in general.

The dispute over Videotel, a company with seven employees that has never installed a public telephone system, reflects realities of business in former Communist countries.

Georgia's telephone service until Georgian officials honor the company's contract. "We are caught in a whirlwind between a company and a government," said a World Bank official who insisted on not being identified.

Investor's Europe table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various exchange rates.

Very briefly: The European Community said its unemployment rate rose to 10.7 percent of the work force, or slightly more than 16 million people, in October, up by 0.1 percentage point from September.

Rhône to Delay Purchase

PARIS — Rhône-Poulenc SA's plan to acquire the remainder of its unit Institut Mérieux will probably not happen before the beginning of next year, Rhône said on Tuesday.

Key German Union Starts Contract Talks

Compiled by Our Staff From Dispatches FRANKFURT — Crucial 1994 wage talks began on Tuesday in Germany's powerful metalworking industry as negotiators sought to bridge a huge gap between claims by the union IG Metall of up to 6 percent and management's quest to cut costs.

GERMANY: A Glimmer of Hope

Continued from Page 1 get back up because they have run out of resources," he said. Economists were particularly wary of a 1.6 percent quarter-on-quarter jump in private consumption.

COMPANY RESULTS

Table of company results for various regions including Britain, Canada, Germany, Japan, and Switzerland, listing revenue and profit.

GATT: U.S. and EC, Split on Aircraft and Films, Vow Last-Ditch Effort

Continued from Page 1 country that has long been seen as the biggest obstacle to a deal — France — expressed satisfaction with the Kantor-Britain talks.

EGYPTIAN FISHERIES COMPANY FOR FISHING AND FISH GEARS ALEXANDRIA

ANNOUNCES SELLING PRODUCTION OF NATURAL SPONGE OF THE PRESENT SEASON AS THE FOLLOWING HONY COMB 222 KG TURKEY CUP 320 KG ZIMOKA 1070 KG

NABISCO: Company Plans to Cut 6,000 Jobs to Spur Profit Next Year

Continued from Page 15 combination of junk-bond offerings and bank loans that has burdened it with interest payments of \$9 million a day.

INTERNATIONAL CLASSIFIED

Large classified section containing various advertisements for real estate, employment, travel, and business services across multiple columns.

# NASDAQ

**Tuesday's Prices**  
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Div	Yld	PE	52	High	Low	Latest	Chg
1.00	0.50	0.00	0.00	0.00	0.00	1.00	0.50	0.75	0.25
1.50	0.75	0.00	0.00	0.00	0.00	1.50	0.75	1.125	0.375
2.00	1.00	0.00	0.00	0.00	0.00	2.00	1.00	1.50	0.50
2.50	1.25	0.00	0.00	0.00	0.00	2.50	1.25	1.875	0.625
3.00	1.50	0.00	0.00	0.00	0.00	3.00	1.50	2.25	0.75
3.50	1.75	0.00	0.00	0.00	0.00	3.50	1.75	2.625	0.875
4.00	2.00	0.00	0.00	0.00	0.00	4.00	2.00	3.00	1.00
4.50	2.25	0.00	0.00	0.00	0.00	4.50	2.25	3.375	1.125
5.00	2.50	0.00	0.00	0.00	0.00	5.00	2.50	3.75	1.25
5.50	2.75	0.00	0.00	0.00	0.00	5.50	2.75	4.125	1.375
6.00	3.00	0.00	0.00	0.00	0.00	6.00	3.00	4.50	1.50
6.50	3.25	0.00	0.00	0.00	0.00	6.50	3.25	4.875	1.625
7.00	3.50	0.00	0.00	0.00	0.00	7.00	3.50	5.25	1.75
7.50	3.75	0.00	0.00	0.00	0.00	7.50	3.75	5.625	1.875
8.00	4.00	0.00	0.00	0.00	0.00	8.00	4.00	6.00	2.00
8.50	4.25	0.00	0.00	0.00	0.00	8.50	4.25	6.375	2.125
9.00	4.50	0.00	0.00	0.00	0.00	9.00	4.50	6.75	2.25
9.50	4.75	0.00	0.00	0.00	0.00	9.50	4.75	7.125	2.375
10.00	5.00	0.00	0.00	0.00	0.00	10.00	5.00	7.50	2.50

12 Month High	12 Month Low	Div	Yld	PE	52	High	Low	Latest	Chg
1.00	0.50	0.00	0.00	0.00	0.00	1.00	0.50	0.75	0.25
1.50	0.75	0.00	0.00	0.00	0.00	1.50	0.75	1.125	0.375
2.00	1.00	0.00	0.00	0.00	0.00	2.00	1.00	1.50	0.50
2.50	1.25	0.00	0.00	0.00	0.00	2.50	1.25	1.875	0.625
3.00	1.50	0.00	0.00	0.00	0.00	3.00	1.50	2.25	0.75
3.50	1.75	0.00	0.00	0.00	0.00	3.50	1.75	2.625	0.875
4.00	2.00	0.00	0.00	0.00	0.00	4.00	2.00	3.00	1.00
4.50	2.25	0.00	0.00	0.00	0.00	4.50	2.25	3.375	1.125
5.00	2.50	0.00	0.00	0.00	0.00	5.00	2.50	3.75	1.25
5.50	2.75	0.00	0.00	0.00	0.00	5.50	2.75	4.125	1.375
6.00	3.00	0.00	0.00	0.00	0.00	6.00	3.00	4.50	1.50
6.50	3.25	0.00	0.00	0.00	0.00	6.50	3.25	4.875	1.625
7.00	3.50	0.00	0.00	0.00	0.00	7.00	3.50	5.25	1.75
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8.00	4.00	0.00	0.00	0.00	0.00	8.00	4.00	6.00	2.00
8.50	4.25	0.00	0.00	0.00	0.00	8.50	4.25	6.375	2.125
9.00	4.50	0.00	0.00	0.00	0.00	9.00	4.50	6.75	2.25
9.50	4.75	0.00	0.00	0.00	0.00	9.50	4.75	7.125	2.375
10.00	5.00	0.00	0.00	0.00	0.00	10.00	5.00	7.50	2.50

12 Month High	12 Month Low	Div	Yld	PE	52	High	Low	Latest	Chg
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1.50	0.75	0.00	0.00	0.00	0.00	1.50	0.75	1.125	0.375
2.00	1.00	0.00	0.00	0.00	0.00	2.00	1.00	1.50	0.50
2.50	1.25	0.00	0.00	0.00	0.00	2.50	1.25	1.875	0.625
3.00	1.50	0.00	0.00	0.00	0.00	3.00	1.50	2.25	0.75
3.50	1.75	0.00	0.00	0.00	0.00	3.50	1.75	2.625	0.875
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4.50	2.25	0.00	0.00	0.00	0.00	4.50	2.25	3.375	1.125
5.00	2.50	0.00	0.00	0.00	0.00	5.00	2.50	3.75	1.25
5.50	2.75	0.00	0.00	0.00	0.00	5.50	2.75	4.125	1.375
6.00	3.00	0.00	0.00	0.00	0.00	6.00	3.00	4.50	1.50
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9.50	4.75	0.00	0.00	0.00	0.00	9.50	4.75	7.125	2.375
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1.50	0.75	0.00	0.00	0.00	0.00	1.50	0.75	1.125	0.375
2.00	1.00	0.00	0.00	0.00	0.00	2.00	1.00	1.50	0.50
2.50	1.25	0.00	0.00	0.00	0.00	2.50	1.25	1.875	0.625
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2.00	1.00	0.00	0.00	0.00	0.00	2.00	1.00	1.50	0.50
2.50	1.25	0.00	0.00	0.00	0.00	2.50	1.25	1.875	0.625
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9.50	4.75	0.00	0.00	0.00	0.00	9.50	4.75	7.125	2.375
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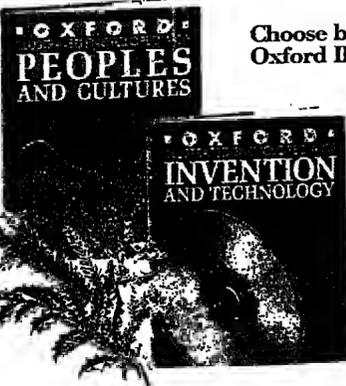
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**Herald Tribune**

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Denmark	D.Kr. 3,400	1,900
Finland	F.M. 2,400	1,300
France	F.F. 1,850	1,070
Germany	D.M. 700	385
Great Britain	£	210
Greece	Dr. 75,000	41,000
Ireland	Ir£	230
Italy	Lira</	

# Cathay Orders 6 Airbus Craft To Add Capacity

**Compiled by Our Staff From Dispatches**  
**HONG KONG**—Cathay Pacific Airways, Hong Kong's flag carrier, said it has placed an order with Airbus Industrie for six A-340-300 aircraft at a price of \$801 million to boost its medium-capacity routes between Europe and Asia.

Cathay, due to take delivery of the planes in 1996 and 1997, said it would begin operating leased A-340-200s in October on nonstop services from Hong Kong to Amsterdam, Paris, Rome and Zurich, replacing them as the new jets arrived.

"It is a very good time to buy aircraft," said a Cathay spokeswoman. "It's a buyers' market out there at the moment because the business is very depressed."

Roland Bruce, an analyst for Standard Chartered Securities, agreed that "this is a good time to be doing this with companies like Boeing laying off staff."

The six orders replace six of 14 options Cathay had on A-330-300 aircraft from Airbus. The other eight options for A-330-300s remain open, said the spokeswoman.

The latest orders are in addition to 10 medium-range Airbus A-330-300s ordered in 1989 for delivery in 1995 and 1996 to replace Cathay's aging Lockheed fleet. The airline is

# Hong Kong Clears Broker Morgan Stanley Scrutinized on China

**HONG KONG**—The Securities and Futures Commission has cleared Morgan Stanley & Co. of wrongdoing after it sent local stock prices soaring and then plunging with conflicting recommendations on China.

A spokesman for the commission, Welsey McDade, said Tuesday that the conclusion had followed an investigation into whether the Wall Street giant's stock and futures dealers had advanced notice of the recommendations by two of its leading analysts.

The Morgan Stanley affair provoked a debate on the role of Wall Street houses that trade both on their own behalf and for clients, and whose most prominent analysts can sometimes send prices up or down sharply with their forecasts and recommendations.

Under rules against insider trading, investment houses must wall off their research and trading departments from one another to ensure that dealers cannot profit by learning of potentially market-moving recommendations by their colleagues before the rest of the market knows of them.

Mr. McDade said the commission had looked at whether Morgan Stanley had the appropriate procedures in place to "control the flow of information within the firm."

He said a review of the firm's trading activities in both Hong Kong equities and Hang Seng Index futures had disclosed that Morgan Stanley did have such appropriate procedures in place and that its traders "had no advance knowledge" of any of the information contained in the reports.

"That's the end of the story," he said.

The issue began with a report in September in which Barton Biggs, chairman of Morgan Stanley Asset Management, proclaimed himself to be "maximum bullish" about China's future economic growth. His comment provoked a frenzy of buying

# India Admits Foreign Brokers

**BOMBAY**—India has given foreign brokerage houses their first chance to operate in the country, allowing four firms to place orders on behalf of overseas institutional investors, officials said Tuesday.

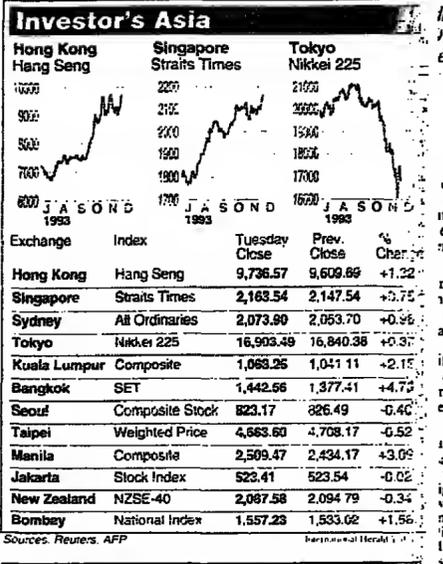
James Capel & Co., Marlin Partners U.K. Ltd., Klemmert Benson Investment Securities (Asia) Ltd. and Credit Lyonnais Securities (Asia) Ltd. are the first firms allowed to place orders on behalf of overseas funds, according to Pratip Kar, executive director of the Securities and Exchange Board of India.

"This will give foreign brokers a bigger role in Indian markets. Until now they were only doing liaison between their clients and Indian brokers," Mr. Kar said.

Last year, for the first time since independence in 1947, India allowed select foreign institutions to invest in its 22 stock markets. Since the opening of the markets, 134 foreign funds, have registered with the government and have invested up to \$650 million, Mr. Kar said.

Foreign brokers with offices in Bombay said they were already doing extensive work for overseas clients. "We are already doing everything a broker does, except write a contract," said Mark Bullough, managing director of Jardine Fleming India Securities.

Still, analysts said foreign funds were likely to boost investments because ordering through foreign brokers would ensure secrecy.



# Sanyo to Make Flash Chips for U.S. Concern

**Agence France-Press**  
**TOKYO**—Sanyo Electric Co. announced plans Tuesday to invest 22 billion yen (\$200 million) as part of an agreement to make flash memory chips under license from Silicon Storage Technology Inc.

Sadao Kondo, general manager at the company's semiconductor business headquarters, said the investment covered a new water production line at Sanyo's semiconductor plant in Niigata.

The new line is scheduled to start operating in 1995 with output of six-inch wafers estimated at 18,000 units a month. Flash memory chips do not lose data when disconnected from their power sources.

# Korean Carmakers See Sales Rise in '94

**SEOUL**—South Korean carmakers, encouraged by booming sales this year, said on Tuesday they expected a further rise in 1994.

Analysts said South Korea's total production would increase to 2.35 million units next year from this year's estimated 2.04 million, while exports would rise to as high as 800,000 from this year's 655,000.

Sales for the industry would increase a healthy 15 percent to 19 trillion won (\$23.46 billion) next year from this year's estimated 16.5 trillion won, they said.

The major South Korean carmakers said they expected sales rises of between 16.4 and 120 percent, thanks to a steady rise in domestic and overseas demand.

"Domestic customers will continue to buy cars next year, attracted by new models. And world demand will continue to be strong," said Song Sang-hoon, analyst at the Korea Automobile Manufacturers' Association.

Emerging markets such as Latin America, Southeast Asia and China are expected to sharply increase imports of South Korean cars next year, Mr. Song said.

The favorable conditions that helped increase car sales this year will remain. On top of that, the world's economy is likely to recover in 1994," said Chung Phil-kyong, director of Kia Motors Corp.'s export division.

Hyundai Motor Co., South Korea's largest carmaker, expects sales to increase 16.4 percent to 8.5 trillion won, next year from this year's estimated 7.3 trillion won, a company spokesman said. Production is projected to rise 21.1 percent, to 1.15 million units, from an estimated 950,000 units, he said.

Of total production, about 36 percent, or 410,000 units, would be exported, up 20.4 percent from this year's estimated 335,000 units.

"Our new models, notably the Elantra compact and Sonata II sedans, which were popular this year among overseas customers, are expected to maintain their momentum. In addition, we plan to increase exports of small trucks and vans sharply," the Hyundai spokesman said.

Kia, whose sales are expected to reach 4.2 trillion won this year, projected sales of 5.6 trillion won in 1994. A Kia spokesman said production would reach 780,000 units next year, up from 1993's 620,000 units. Exports will soar to 260,000 units from an estimated 160,000 units.

He said sales of the new model Sephia and four-wheel-drive Sportage had picked up and shipments of cars as kits would help increase Kia's total exports.

"We will benefit from our new model cars. They will enable us to expand overseas sales greatly, which have been limited by our ties with joint-venture partners," the Kia spokesman said.

Kia's sub-compact Pride, called Festiva overseas, is produced in a technical tie-up with Mazda Motor Co. and sold overseas through Ford Motor Co.'s sales network.

Daewoo Motor Co. said it expected its sales to increase 45.5 percent, to 3.2 trillion won, next year from this year's estimated 2.2 trillion won. A Daewoo executive said 1994 production would rise to 400,000 units, 180,000 of them exported, from this year's estimated 310,000 vehicles.

# Aerospace Plan For Malaysia

**LANGKAWI ISLAND, Malaysia**—Prime Minister Mahathir bin Mohamad said Tuesday that Malaysia was moving aggressively into the aerospace industry.

He said at an aerospace exhibition that Malaysia would begin manufacturing the German-designed Dornier SeaStar CD-2, a twin-engine 14-seat amphibious airplane, in the northern island of Penang next year.

A small airplane jointly designed by Australia and Malaysia began rolling off a production line in Perth in October. Known as the Eagle, the plane is made of composite material and will be made in Malaysia next year, Mr. Mahathir said.

- Very briefly:**
- Five Japanese banks said they would cut their short-term prime lending rate, the rate they charge their most credit-worthy customers on loans one year or less, by 0.75 percentage point, to 3 percent.
  - Malayan United Industries Bhd. said it acquired a 52.8 percent stake in public-listed Morning Star Holdings Ltd. for nearly 230 million Hong Kong dollars (\$29.8 million) and a 30 percent stake in Kerry Financial Services Ltd. for 60 million dollars.
  - Nippon Telegraph & Telephone Corp.'s chairman, Masashi Kojima, said that his company was discussing multimedia business opportunities with Apple Computer Inc. and Microsoft Corp.
  - China's foreign trade deficit hit \$7.7 billion in the first 11 months of 1993, with imports growing 21.6 percent faster than exports. Separate government official said Beijing would begin allowing foreign companies to invest in its gold mines next year.
  - Shanghai Cable Television has signed up 700,000 subscribers.
  - Magma Power, a unit of Dow Chemical Co. plans to invest \$250 million in a geothermal project in the central Philippine island of Leyte.

# Shift by Tokyo in Trade Talks

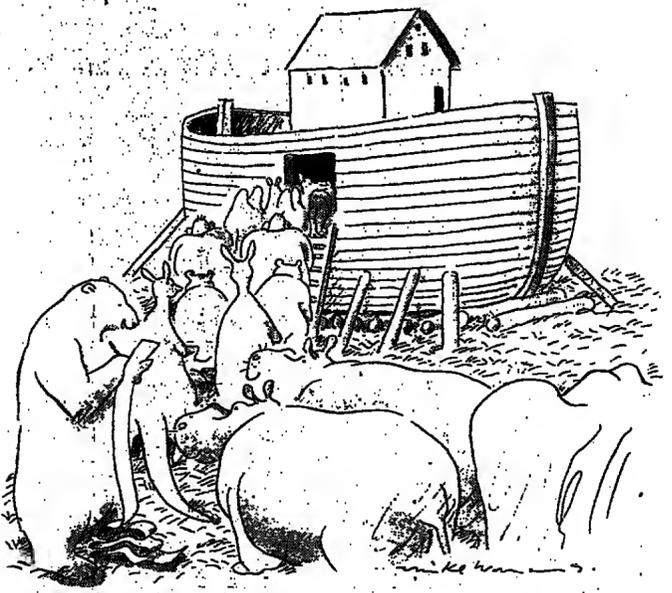
**Agence France-Press**  
**TOKYO**—Japan proposed for the first time on Tuesday a set of quantitative criteria to assess measures aimed at expanding government procurement from foreign telecommunications suppliers, a U.S. official said.

The official, who spoke on condition of anonymity, described the offer as a "positive movement" by the Japanese side, but refused to disclose details or comment further on the proposal.

But the news agency Jiji Press reported that Tokyo had proposed including the number of procurement contracts in a future telecommunications agreement, along with the number of foreign suppliers attending meetings to explain Japanese bidding procedures.

The United States has insisted on the establishment of "objective criteria" to measure the opening of Japanese markets, as called for under a broad trade framework agreement signed in July. Talks on specific market sectors began in October.

Despite the new Japanese offer, "wide gaps remain" between the two sides, said the U.S. official.



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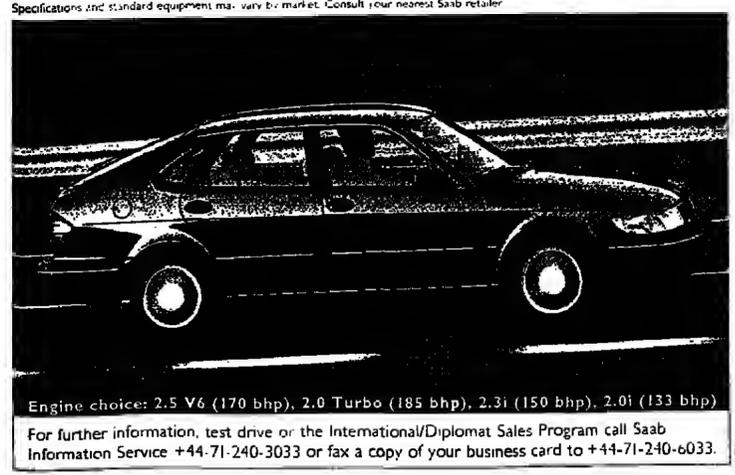
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NYSE

Tuesday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, High, Low, Last, Chg. Lists various stock prices and changes.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, High, Low, Last, Chg. Lists various stock prices and changes.

LONDON: Lloyd's Offer for a Settlement Leaves Investors Disappointed

Continued from Page 15. Mr. Middleton likened the complexity of the task of calculating settlements for more than 21,000 names to a "Rubik's cube with a seventh side." The sums that Lloyd's ultimately arrived at would mean that the vast bulk of names would receive 2,100,000 or less, and that no members would receive more than 60.2 percent of their claims.

Table with columns: ABC INVESTMENT & SERVICES CO. LTD., CALLANDEE, CANTON INTERNATIONAL GROUP, etc. Lists various fund names and their details.

Table with columns: INTERNATIONAL FUNDS, MERILL LYNCH, etc. Lists various fund names and their details.

Table with columns: Other Funds, etc. Lists various fund names and their details.

# SPORTS

## Smith Powers Cowboys Past Eagles, 23-17

By Thomas George  
New York Times Service

IRVING, Texas — By the time the Philadelphia Eagles figured out a way to slow Emmitt Smith, it was too late. By the time the Eagles found a way to awaken their sleepy offense, it was way too late.

And as far as the Eagles' playoff plans in the National Football League, it's too late for that, too.

The Dallas Cowboys remained one game behind the New York Giants in the National Conference East Division race with a 23-17 victory Monday night.

This game was a lot like their first this season, in Philadelphia on Halloween. Dallas won it by 23-10, and Smith rushed for 237 yards, with a 62-yard touchdown run late in the game that provided the final Dallas points.

This time, Smith rushed for 172 yards and provided a 57-yard jaunt to the Philadelphia 16 that set up the final points for Dallas. Fullback Darryl Johnston later scored those points on a 2-yard run with 9 minutes, 16 seconds to play. That made it 23-10.

"It was the right play at the right time," Smith said. "They had me in check until the big run. We were struggling big-time."

Mark McMillian caught me from behind. I thought I was going

to score. It was like the road runner running up alongside the coyote."

Bobby Brister — who was 27-of-45 for 248 yards, two touchdowns, one interception — fed the Eagles back on an 81-yard drive that was capped by his second touchdown pass to tight end Mark Bavaro, this one from 8 yards, to make it 23-17 with 3:46 left.

The Eagles got the ball back for one last chance, but not much of one. They were at their own 11 with 55 seconds left and no timeouts. Brister was quickly intercepted by safety Bill Bates, who returned the ball to the Philadelphia 14.

It was a big victory for Dallas, which was coming off two straight losses, including its Thanksgiving Day disaster here against Miami.

Dallas had dominated Philadelphia in the first half, scoring on each of its four possessions, while the Eagles gained only three first downs in their first four possessions. But on two of the Dallas scoring drives, the Eagles dropped interceptions.

Eagles linebacker Seth Joyner said: "They had three fumbles and they bounced back into their hands. It's unbelievable, like we have a spell on us that has lasted the whole season. I don't know when our time is going to be. We're running out of time."



Emmitt Smith, pulling away from William Thomas, gained 172 yards, 57 on one run late in the game.

## An Elbow Rash

International Herald Tribune

MILAN — Less than two weeks before the official draw for next summer's World Cup, the powers that be are talking of brightening up soccer by dressing the referees in new colors.

Personally, I am comfortable with black as the mark of authority. I would rather FIFA address the substance rather than the image, and prevent the discoloration and disfigurement of players' cheekbones and eye sockets.

If members of the FIFA's referees' committee, judged by the equipment manufacturers, see fit to alter the colors, so be it. They can have a merry time trying to prevent red or green patterns on the officials' uniforms from clashing with the rainbow of colors worn by Cameroonians or Colombians, not to mention the multicolored jerseys those manufacturers already issue to goalkeepers.

But if there is time to change the colors, there ought to be time to legislate against the prevalent and injurious use of elbows in soccer. Sooner or later, someone is going to be killed.

Such is the opinion of Osvaldo Ardiles, the diminutive playmaker for the Argentine side that won the 1978 World Cup. Today, Ardiles coaches Tottenham Hotspur, and is an angry and sickened man. His club captain, Gary Mabbutt, recently came close to losing an eye, and may yet lose his career, as a result of the mugging perpetrated by Wimbledon F.C.

Mabbutt's head met the left elbow of John Fashanu in the penalty area. An experienced referee, Keith Hackett, saw no foul, but it took two hours of surgery to piece together Mabbutt's right eye socket, broken in three places, and a cheekbone fractured in four.

A metal plate beneath the skin is Mabbutt's legacy of a career stretching 655 games in senior soccer. He is 32, a gentleman of the penalty area skirmishes, a triumph of sporting propriety over the handicap of diabetes and the occupational hazard of a broken leg. He cannot be sure of playing again, while another English professional, John Uzzell, has not been able to even jog since his cheek was smashed in similar fashion two seasons ago.

"I feel sure I will be back," insists Mabbutt. "I enjoy playing as much now as I did when I started as a 15-year-old. The surgeon told me I am lucky to have retained the sight in my eye—a centimeter either way and it could have been different."

Beneath dark glasses, his eye, encircled by purple, pink and black swelling, looks as if it had gone seven rounds with Mike Tyson. Indeed, Fashanu has trained as a boxer, trained in unarmed combat, and revealed in the sobriquet *Fash the Bash*.

He has broken noses with his elbow or forearm before. His boot has put another professional, John O'Neil, permanently out of the game.

"The question of intent is questionable," Hackett said after viewing Tottenham's video of the Mabbutt incident. The referee is right: Trying to prove malice when two competitive athletes collide is unlikely to be conclusive.

It was tried a year ago, when the charge of assault was filed after an elbow broke Uzzell's cheekbone. The case was lost the moment Graham Kelly, chief executive of the English Football Association, said under oath that he saw "two hundred" such collisions a week. Kelly's well-meaning but ill-advised defense of professionals, let alone the million or so schoolboys the FA serves, makes legal retribution very remote.

Still, Peter Beardsley, another of England's finest, is considering counsel's advice on an elbowing from Liverpool's Neil Ruddock which destroyed Beardsley's cheekbone in a pre-season "friendly."

But wait. I write this in Italy about the English playing fields? It is neither a new, nor a peculiarly English happening.

Back in 1983, in the opening minutes of the European Cup final in Athens, Claudio Gentile of Juventus broke both cheek bones of Hamburg's Danish forward Lars Bastrup. Gentile is by all accounts a gentle man, a collector of snail shells. But had action been taken those 10 years ago, had the likes of Marco van Basten and others been discouraged from letting their elbows stray into the faces of opponents, I doubt very much Mabbutt would be such a ghastly casualty today.

TYPICALLY, HE INTENDED making no bones about his mistreatment. His initial response was to ignore people urging him to take civil action. But as a senior member of the players' union, Mabbutt studied the video and then remarked: "There is a need to highlight the type of injuries caused by elbows."

He described Fashanu's attempt as "a very clumsy challenge" and added that "at that moment John Fashanu was playing professional football without due care and attention."

After visiting the hospital, Fashanu said, "I feel terrible, as I always do when somebody's injured." He claimed that he, too, was injured by the elbow or arm of Mabbutt. Moreover, Fashanu and the Wimbledon club accused Tottenham of publicizing the incident to "blacken" Fashanu's name.

Worse, Fashanu, a Nigerian, said that "if this incident had happened to a white player it would not have been blown up. It's character assassination."

The racial slur is Fashanu's invention. A thriving business millionaire and a television celebrity, he surely must know that.

Fashanu has been asked by the FA for his observations on the incident. He needs only say it was a mistimed collision the like of which are seen 200 times a week.

In the interests of sport it is time FIFA did away with the question of intent and instructed those men in black—or red or green or whatever—that the use of the elbow, accidental or otherwise, is foul play punishable by the red card.

A draconian measure, it will surely bring injustice. But at least it would err on the side of safety.



## It's Baseball No Matter How It's Put

The Associated Press

HONOLULU — Is the language of baseball international?

From all indications, it is in the Hawaii Winter League.

Two composite teams, made up of Double-A and Single-A players from the United States and professional leagues in Japan and South Korea, have managed to overcome the language barrier to battle for the league championship.

The Kama Emeralds, with a sprinkling of players from South Korea, are managed by Trent Jewett of the Pittsburgh organization. The Hilo Stars are made up primarily of Japanese players.

Jim Ireland, manager of the Stars, has an advantage over Jewett in that he played for two seasons in Japan with the Hiroshima Carp.

Still, he has had some pretty confusing moments.

"Like the time I went to the mound to talk about a runners-on-base situation," recalled Ireland, a manager in the Milwaukee farm system. "Here I had three Japanese players and two Americans around me. I give 'em the 'I' the ball's hit here, we do this, and if the ball's hit there, we do that.' I was feeling pretty good about getting my message across as I turned to walk back to the dugout."

"Then the American players called me back and asked, 'Hey, what about us?' I had forgotten. I had talked only to the Japanese players in Japanese and left out the other two guys."

Said Jewett, "It's hard enough communicating with a bunch of 20-year-olds in English, let alone trying to do it in a language I don't speak."

The Stars' catcher, Joe Perona, said that "coming in, I knew this was going to be a challenge" in getting his thoughts across to a staff that has six pitchers from Japan.

"It did not take long. In the first game of the season, the American starter got in trouble and in strolled Naoki Yoshida, a farmhand of the Orix Blue Wave.

"So I go running out there, and about a step from the mound, it hit me: 'Hey, the guy doesn't speak English and I don't speak a word of Japanese, either.'" Perona said. "So I'm wondering, 'O.K., what am I gonna do now?'"

"I just stood there at first. Then I said a few things. He smiled at me. We both shook our heads, and I went back behind the plate."

"I've been using a lot of sign language when I go out to the mound, but I think I'm finally getting across," he added.

Ireland just laughs.

"He thinks he's a foreign diplomat out there," the manager said. "He goes to the mound and talks his head off, and the Japanese just keep nodding, like they know what he's talking about. But I know for a fact they don't understand a word he's saying."

"The nice thing about baseball, though, is we all pretty much speak the same language," Perona said. "When something goes right, everyone pats each other on the back. And we're all here for the same reasons, to play, to learn and to get better."

## A No-Name Defense Is Honey for Bears

By Thomas George  
New York Times Service

CHICAGO — We know defense. Do we know the Chicago Bears?

Well, let's see, there is Richard Dent and Steve McMichael on the line. We know them.

In fact, McMichael played in his 187th consecutive game here on Sunday, breaking Walter Payton's team record. McMichael made seven tackles and recovered a fumble during Chicago's 30-17 victory over Green Bay.

Not bad for a 35-year-old in his 14th season from the University of Texas.

We know safeties Mark Carrier and Shaun Gayle and cornerback Donnell Woolford. Each of these guys has been around for at least three seasons and each has been a steady producer.

That's just about it.

This is as no-name a defense as it gets when you are talking about the 10th-ranked defense in the National Football League but one that is allowing only 12.6 points a game.

It is about as nondescript a group of achievers as we saw last season from the Super Bowl champion Dallas Cowboys, when they finished the season with league's No. 1-ranked defense. And there is the common thread.

Coach Dave Wannstedt.

Wannstedt knows defense.

Now, apparently, so do the rest of the Bears.

They are responding to his call as a first-year head coach just like the Cowboys did to his call as their defensive coordinator. They scored three touchdowns in lifting the Bears past Green Bay and into a three-way tie with the Packers and Lions in the National Football Conference Central Division with 7-5 records. And it wasn't just luck.

Take Brett Favre's fumble in the third quarter that led to linebacker Dante Jones' scooping the ball and rumbling 32 yards for a touchdown. On that play, the Bears sent all three linebackers up the middle on a ferocious blitz.

That call, on first-and-10 from the Chicago

40-yard line, was enough to make Favre's eyes pop wide open. It was certainly enough to make Favre simply drop the ball while retreating from the rush and trying to make a throw.

It doesn't likely happen unless the Bears call that blitz.

Right call. Right time. Perfect result.

And this keeps happening in Chicago, with the Bears on a defensive roll that is startling.

They allowed 20 points versus the Giants in a season-opening loss. Since, they have allowed 10 to Minnesota, 17 to Tampa Bay, 0 to Atlanta, 6 to Philadelphia, 19 to Minnesota, 17 to Green Bay, 16 to the Raiders, 13 to San Diego, 17 to Kansas City, 6 to Detroit and 17 to Green Bay.

They have the only defense that has not allowed a 100-yard rusher. In their seven vic-

tories, Chicago has 24 takeaways. In their five losses, they have three takeaways.

They have done it with numbers, with a defense by committee. Everyone plays, everyone joins in the fun.

Wannstedt has different groups for third-and-2 and third-and-12 situations. He runs people in and out of the game for short runs and long runs, short passes and deep passes. He throws a wave of defensive personnel at you that takes on a nasty personality inside the 20. This is a defense that has become masterful at showing you one thing and giving you another.

It is key on unstart players, including cornerback Jeremy Lincoln and tackle Chris Zorich. It is producing despite a struggling Bears offense — it ranks dead last in passing — that helped keep the defense on the field for nearly three quarters on Sunday. It produced despite allowing 466 total yards by the Packers.

"If you saw us in training camp, the way we were coming together, you knew we could have something here," Dent said.

"The more we've been together, the more we've become one unit full of layers. We hope we can get a little more from the offense and get off the field a lot more. But no one is crying. We've just taken it upon ourselves to do our jobs and then some."

It is a wonderful formula. The offense, given the challenge from the Bears' defense, will improve. A three-game winning string against San Diego, Kansas City and Detroit — all winning teams and all on the road — gave the Bears confidence. They have games in Tampa Bay, at home against Denver and Detroit and at the Rams. All are very winnable with this defense.

Four more victories would earn the Bears an 11-5 record and likely the Central Division title. That would be a remarkable feat for a team in a predicted rebuilding year, a team considered short on talent and speed, one that just didn't measure up in 1993.

Jones is one of the no-name Bears worth knowing. He replaced a future Hall of Famer, Mike Singletary, at middle linebacker, and in Chicago, that was considered trying to replace King Kong with Benji.

But Jones has been more than up to the task. He was stellar against the Packers and made his fourth interception, the most by a Bear at that position since Dick Butkus in 1971 and only three fewer than Singletary made in 12 seasons.

That tells you plenty about the changes in roles and in assignments that Wannstedt has made on this Bears defense.

"All we have now is an opportunity," Wannstedt said.

Carrier added: "We're surprising some people, sometimes even ourselves. We're circling the ball, we're aggressive, we're in a nice zone. We're in first place."

We know where the Bears were supposed to land. What a wonderful place they are in.

## Gascoigne Reportedly For Sale

Reuters

LONDON — Leeds has expressed an interest in buying Paul Gascoigne from Lazio although the Italian club said Tuesday it had no intention of selling the English international midfielder.

There has been widespread media speculation over the past two weeks that Gascoigne was returning to England and, Tuesday, Leeds became the latest club to be linked with him, although its manager, Howard Wilkinson, stressed that talks were at a tentative stage.

In Rome, Enrico Bendoni, Lazio's general manager, said that "Paul Gascoigne is not going to be sold by Lazio at any price. He is simply not for sale."

But Bendoni's comments added another twist to what is developing into the type of long-running saga that surrounded Gascoigne's transfer from Tottenham to Lazio for \$8.25 million last year.

Leeds, currently second in the Premier League, says it was alerted some time ago that the Italians were prepared to sell Gascoigne.

"We were contacted along with a number of other clubs including, I understand, Blackburn, Newcastle and Manchester United, and asked whether we would be interested in Gascoigne," Wilkinson said.

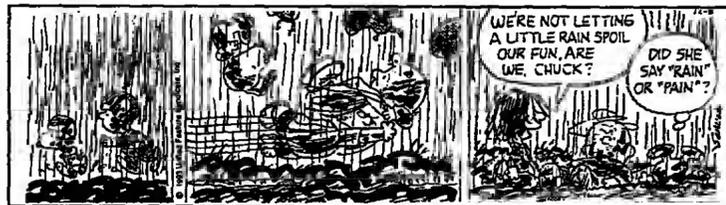
Gascoigne is to return to action Sunday against Juventus after two months on the sidelines.

### DENNIS THE MENACE



"I JUST WANT YOU TO KNOW THAT I'VE BEEN A BIG FAN OF YOURS SINCE I WAS A LITTLE KID."

### PEANUTS



### BLONDIE



### BEEBLE BAILEY



### DOONESBURY



### CALVIN AND HOBBES



### WIZARD of ID



### REX MORGAN



### GARFIELD



**JUMBLE** THE SCRAMBLED WORD GAME

Unscramble these four Jumble words to form a letter to each square, to form the sentence below.

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JAHAR  
GIRDIF  
GAMPE

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Answer: WITH A SHOT

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SPORTS

TV's Eurosport: Serving Mostly Junk Food for Jaded Sports Addicts

By Ian Thomson

PARIS — Eurosport, the satellite TV network, aims to break even by 1995. Can it happen if no one is watching?

agrees Jean-Claude Dasser, the respected vice president for Eurosport. "It is not a bad idea. But at this time it's not realistic. We have no money to waste."

oped between Canal Plus and TF1, the private French channel which oversees Eurosport's non-French business. When Canal Plus oversees production for the French Eurosport, the viewer is more likely to receive the professional commentary, insight and editing expected of a sports broadcast.

predecessor, TESN. Telecasts are manned by four to six announcers, each speaking a different language, sitting in a row of soundproof booths in Paris. The English announcer might have done his homework, while the Dutch commentator in the booth next door might know relatively little about the event he is covering.

athletics world championships. As an EBU member, Eurosport can, in effect, purchase rights to other events from EBU member stations at bargain prices.

to the big events, such as the Winter Olympics, which Eurosport will televise 24 hours per day in February. Those days might be numbered. A source at the International Amateur Athletic Federation predicts that rights fees to its World Championships soon will be offered separately to satellite broadcasters.

The NBA on TV, Worldwide

National Basketball Association games can be seen on a regular basis on the following television stations, according to the league office handling telecasts. Please check your local listings for broadcast times.

TV, China — CCTV, Star TV; Guam — ESPN International; Hong Kong — TBS, Star TV; India — Star TV; Indonesia — SCTV, Star TV; Japan — NHK, JSC, Star TV; Laos — Star TV; Malaysia, JSC, Star TV; Monaco — Star TV; Nepal — Star TV; New Zealand — Sky Network, Star TV; North Korea — Star TV; Pakistan — Star TV; Philippines — Republic Broadcast System, Star TV; Singapore — Singapore Broadcast Corp., Star TV; South Korea — AFRTS, SBS, Star TV; Sri Lanka — Star TV; Taiwan — Taiwan TV, Star TV; Thailand — ISG, Star TV.



Sonics' Defense Makes Opponents Listen Up

SEATTLE — The Seattle SuperSonics think their high-pressure, trapping defense is the one thing that could lead them to an National Basketball Association championship.

They're so quick it seems like they have seven or eight guys out there at one time. It's a five days before their regular-season opener, in an effort to add more scoring.

SCOREBOARD

Table with columns for BASKETBALL, HOCKEY, FOOTBALL, and COLLEGE MAJOR SCORES. Includes NBA Standings, NFL Standings, and various college football results.

Intrum Justitia Still Leads Tokio As Leg Nears End

The yacht Intrum Justitia continued late Tuesday to lead the Whitbread 'Round the World Race as it headed toward the end of the second leg of the competition.

CRICKET

THIRD TEST Australia vs. New Zealand, Last Day. Australia leads by 235 runs.

SOCCER

ENGLISH PREMIER LEAGUE Arsenal 1, Tottenham 1. Liverpool 1, Aston Villa 1.

SIDELINES

OXFORD BEATS CAMBRIDGE IN RUGBY TWICKENHAM, England (AP) — Canadian fly half Gary Rees kicked three penalties and a drop goal Tuesday and South African scrum half Fanie du Toit scored a late, opportunistic try as Oxford University regained the Bowring Bowl by beating Cambridge, 20-8, in rugby.

For the Record

Michael Schumacher of Germany, the rising Formula One driver, signed a new three-year contract with the Benetton team.

James and Henry to Play in Japan

TOKYO (AP) — Dion James, an outfielder for the New York Yankees, and Dwayne Henry, a pitcher for the Seattle Mariners, have signed one-year contracts to play in Japan next season for the Chunichi Dragons.

Belgravia Orchids

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Becker Drops Coach, But Can't Shake Slump

MUNICH — Boris Becker ended his tennis year Tuesday as he began it, amid controversy. A few hours after it was announced that he had split with his latest coach, Eric Jelen, the three-time Wimbledon champion disappeared from the Grand Slam cup with a 7-5 6-4 first-round loss to South African Wayne Ferreira.

INTERNATIONAL CLASSIFIED. (Continued From Page 17). Includes listings for White Escort, Belle Epoch, Mercedes, Geneva Paris, and other services.

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OBSERVER

Beyond Peopledom

By Russell Baker

WASHINGTON — Whenever I find myself growing grim about the mouth; whenever it is a damp, drizzly November in my soul; whenever I find myself involuntarily pausing before coffin warehouses, then I account it high time to consult the People magazine as soon as I can, for I recognize the symptoms all too clearly. Elitism has cast its pall upon me.

Luke and Minnie are not really people, because People practically never deals with people unless they have been murdered by killers so celebrated that they have risen above mere people status and become celebrities, which is to say — People. My filched People contains snaps of two women who have taken that road to fame, but the big photo is of the man who is suspected of killing perhaps 17 women, including these two in the snapshots.

Why, you may ask, don't I read People at the grocery checkout counter? Because that's where I read Time and Newsweek, to keep up with great trends of our age, thereby acquiring my deplorable elitism, here is something about checkout-counter reading that is conducive to profound and high-toned thought, and that something is, I suspect, other Time or Newsweek. People magazine, however, brings me back into contact with people, which is to say the great American celebrity consumer who flows at a glance who Luke and Minnie are and who grazes happily on year-old fodder about Diana, "Diana's Lonely Battle" is the cover story in my filched People magazine. Everyone not blinded by elitism will instantly recognize that the Diana doing lonely battle is not Diana the Moon Goddess, nor Lady Diana Duff Cooper who was Evelyn Waugh's pen pal, nor the incomparable Diana Ross, supreme of Supremes.

Some celebrities who fill the pages of People might take offense at the suggestion that they are not really people. Many celebrities go on for years kidding themselves about being real people, though it should be obvious that if they were real people they couldn't possibly turn up in People magazine without getting murdered. Elmore Leonard, America's most readable writer, makes the point perfectly in his novel "Get Shorty" when he describes a movie actor who wanted to be a regular guy, but had been a movie actor for so long he'd forgotten how.

It is safe to assume, though, that

New York Times Service

A House Finland's Opera Can Call Home

By John Rockwell

HELSINKI — In recent years, Finland, with composers like Aulis Salonen, Joonas Kokkonen, Einojuhani Rautavaara and Erik Bergman, has produced more operas of international distinction than any other country. For a small nation on the northern fringes of Europe, that is a remarkable achievement.

Almost as remarkable has been the fact that up to this past week, Finland has lacked a theater specifically designed for opera. The two most prominent operatic entities in the country played in makeshift spaces: the Finnish National Opera in the 500-seat Alexander Theater, built in 1879 for the amusement of the Russian garrison stationed in Helsinki, and the Savonlinna Opera Festival in the temporarily converted courtyard of the 500-year-old Olavinlinna Castle.

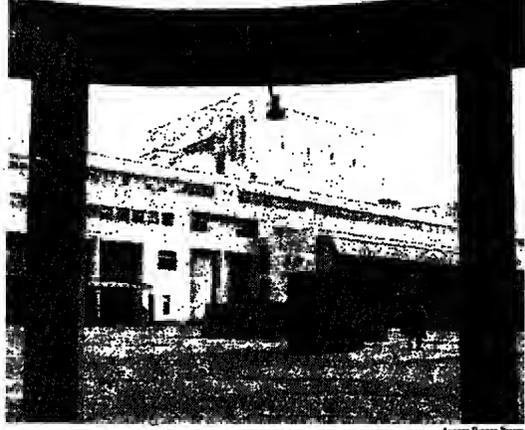
Now, that lack has been grandly rectified, and in a way that does belated honor to the country's modern-day tradition of operatic composition. Last week the gleaming new Finnish National Opera on Toonlahn Bay in the center of this city was inaugurated with Salinen's gripping opera "Kullervo." The title role was sung by Jorma Hyvämäki, a world-renowned baritone who is also the former artistic director of the Finnish National Opera and the current director of the Savonlinna Opera Festival.

The opening was the beginning of a five-day celebration of the new theater, which was in fact completed in the spring and has seen various concert, opera and ballet since May in productions adapted from the Alexander Theater. These were designed to acclimate the company to its vastly expanded new home, nearly three times the size of the old theater although, at 1,383 seats, still only one-third the size of the Metropolitan Opera in New York.

The week's festivities, which attracted dignitaries and critics from around the world, also included the first new production for the new theater by the Finnish National Ballet, "Swan Lake"; the first new production of a standard-repertoire opera, "Carmen"; a repeat of "Kullervo"; and a concert on Saturday.

"Now we Finns can show the world we can be successful in our art on our own turf," said Walton Gronroos, the company's director. "We don't need any more to go around the world." He added, referring to the company's frequent tours. "Now, the world will come to us."

The reaction in the Finnish press was rapturous, and there was good reason for rapture. The new building won an architectural competition in 1977. But what one Finnish critic called "a lack of money and



Helsinki's new opera house, with a seating capacity of 1,400.

political will" delayed the start of construction until 1986, with further delays caused by the recession and the bankruptcy of several subcontractors. The "Kullervo" premiere took place in Los Angeles in early 1992, after it had become clear that the Helsinki theater for which it was intended would not be ready. The total cost of the construction was \$135 million.

The design, by a three-man architectural team headed by Eero Hyvämäki, may lack the boldness of Alvar Aalto's Finlandia Hall on the same shore; to some, the exterior looks like dated corporate modernism. But its white walls and arched glass atrium blend well with the light-colored exteriors of both Finlandia Hall and the National Theater on the other side of the bay.

Inside, the theater is more striking still, with the high-tech look of so much Nordic architecture softened by light gray marble and polished parquet floors of red beech. The auditorium — there is also a flexible small hall seating between 200 and 500 — may be intimate on American terms, with no seat farther than 100 feet (30.5 meters) from the stage. But backstage, everything is up-to-date, and company members have pronounced the acoustics first-rate.

The stage size is up to international standards, too, permitting the company to assay Wagner and other large-scale scores for the

first time. Gronroos, who is still an ensemble member at the Deutsche Oper, of Berlin, will sing Wolfram when that company presents Wagner's "Tannhäuser" here in April, and there will be a Finnish production of "Lohengrin" in June.

"Kullervo," which was warmly received at its Los Angeles premiere with the same production and much the same cast as last week in Helsinki, made a somber yet symbolically appropriate opening opera. That was partly because this tale of a cursed destroyer of all that he loves comes from the "Kalevala," the national epic of Finland.

Sibelius wrote a "Kullervo" Symphony, but shied away from opera. Salmén's score continues a compositional line from Wagner through Sibelius to modernity; its debts are obvious but so is its originality.

The composer uses speech and electronic effects and dissonance where expressively appropriate. Yet his idiom has a gloomy Romantic breadth that appeals to international opera audiences. Certainly the performance, with not only Hymänen but also a supporting cast headed by Jorma Silvasti, a strong young tenor, and the veteran conductor Ulf Soderblum, did Salmén's opera full justice.

Given the overly mythical nature of "Kullervo," there was some discussion the day after the performance at a symposium on new Finnish operas, as to just what the

Finnish opera "boom" represents and how internationally appealing it can be. While the Finnish National Opera has performed several new operas widely, new Finnish opera has hardly joined the mainstream repertory.

Partly, said Pekka Hako of the Finnish Music Information Center, that is because "it is hard to whistle Finnish national values." Seppo Halkio, the chief music critic for the leading Helsinki newspaper, The Helsinki News, went so far as to suggest that the entire phenomenon had been artificially created by the Finnish government's sponsoring tours and subsidizing critics to come to Helsinki. This accusation of imperialism was met with shocked banter, since most of the assembled critics had indeed participated in a government junket to attend the opening.

On the other hand, such payments are accepted practice in Europe, and Finnish opera has a truly wide appeal, proven by its solid sales on compact discs, especially in the United States. One might even suggest that Finnish composers have followed the same practice as Andrew Lloyd Webber, who has built anticipation for his musicals by first releasing recordings. "Kullervo" was available for months before its Finnish premiere, and Bergman's "Singing Tree," not scheduled for its world premiere until 1995, is already in the record stores.

For the future, Gronroos said the main immediate need is for the company to adjust technically and psychologically to its spacious new surroundings, and to get used to presenting 200 operas and ballet performances in repertory over a 10-month season. "The small house is still in the brains of our people," he said.

The "Swan Lake" production was a recreation of Vladimir Bourmeister's version of the Petipa-Ivanov model by Josefine Amiel of the Paris Opera Ballet School. The dancing was appealing but provincial, despite the 22-year-old Nina Nyvazien's convincing Odette/Odile.

Gronroos, who has been accused of plotting too conservative a course, said he intended to sustain the company's commitment to Finnish operas, with a new production of Kokkonen's "Last Temptation" in September, "The Singing Tree" the following season and a world premiere in 1996-7.

He conceded that the very grandeur of the company's new home might, in less imposing circumstances, but he remained optimistic that the theater would ultimately benefit Finnish opera.

"I believe that our artistic level will be higher now," he said. "I hope everything will be easier for us, and that the creative power will still be very strong."

PEOPLE

Elke vs. Zsa Zsa: Jury Fines Gabor \$2 Million

A jury has awarded actress Elke Sommer \$2 million in compensatory damages in a libel suit against Zsa Zsa Gabor and her husband, who were accused of saying that Sommer was broke, balding and frequented sleazy bars. Sommer's attorney said his client declined to comment until the jury had finished its work. The panel was scheduled to meet again to decide punitive damages. Sommer, 53, claimed she suffered sleepless nights, headaches and nausea after remarks reportedly made by Gabor and her husband, Frederick von Anhalt, were published in a German magazine in 1990.

Let it be said President Bill Clinton, and so Paul McCartney has been invited to give a concert at the White House next year, according to his publicist. No date has been set.

Competition from Rush: About 200 well-wishers came to help Rush Limbaugh celebrate the publication of his second book, "See, I Told You So," at a Los Angeles cocktail party, held the same night as President Bill Clinton attended a fundraiser at the home of Marvin Davis.

Richard Gere says his supermodel wife Cindy Crawford "has been very vocal about wanting a family." In the latest issue of Vanity Fair, the actor said: "I think if it was something I didn't want to do, she would reluctantly withdraw from this relationship."

Michael Crichton says critics who accused him of Japan-bashing in "Rising Sun" left him so gun-shy he got writer's block. He finally finished his new book, about a man who is sexually harassed by his woman boss. "Disclosure" is due out in January. "I couldn't proceed for several months," he said in a magazine interview. "I thought there was a possibility of such a strong response to this book that emotionally, I wasn't sure I'd be able to do it."

INTERNATIONAL CLASSIFIED Appears on Pages 8 & 17

WEATHER

Forecast for Thursday through Saturday, as provided by Accu-Weather.



North America: A strong storm will pound the West Coast from Portland, Ore., northward through Vancouver, British Columbia, later Thursday into Friday. Winds will gust above 120 mph along the coast along with widespread rain. Much of the western United States will have tranquil weather this week.

Table with weather data for various regions including Europe, Asia, Africa, and Latin America, listing high/low temperatures and conditions.

CROSSWORD

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Crossword puzzle grid with clues and a solution to the puzzle from Dec. 7.

A WEEK IN THE LIFE OF THE TRIB

- Monday: MONDAY SPORTS, Tuesday: STYLE, Wednesday: STAGE ENTERTAINMENT, Thursday: HEALTH/SCIENCE, Friday: LEISURE, Saturday-Sunday: ART/ THE MONEY REPORT, Plus daily: POLITICS AND ECONOMICS, BUSINESS AND FINANCE, OPINION AND COMMENTARY, THE ARTS AND SCIENCE, FOOD AND FASHION, FILM AND THEATER, BOOKS AND TRAVEL, BRIDGE AND CHESS, THE NEW YORK TIMES CROSSWORD, A LIVELY ARRAY OF COMICS, PULITZER PRIZE WINNING FEATURE COLUMNISTS

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